(Western Region)

Press Reports on Automotive Industry 2022-23

Automotive Component Manufacturers Association of India
(Western Region)
Mumbai

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PRESS REPORTS ON AUTOMOTIVE INDUSTRY

CONTENTS

COMPANY NEWS (Contd……) Page No.

COMMERCIAL VEHICLE

MISCELLANEOUS

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PRESS REPORTS
ON
AUTOMOTIVE INDUSTRY

Business Standard 2nd June 2022

EV car makers rev up for 2025

Competition in the domestic electric passenger vehicle market will intensify in three years as a slew of new models hit the road

SHALLY SETH MOHILE
Mumbai, 1 June

Come 2025, the slugfest for India's nascent electric passenger vehicle market will intensify. Over a dozen electric models, including pure electric cars or "born electric" models from Tata Motors, Mahindra & Mahindra and Suzuki Motor Corp's first electric offering, are expected to go on sale.

The plans come amid the government's aim to have electric vehicle (EV) sales accounting for 30 per cent for private cars by 2030.

In many ways, the year will mark an inflection point for a market that has so far seen the EV goals being realised on two wheels, not four. Also, the proposed entry of automakers like Maruti Suzuki and Hyundai, among others in the segment, with their "mass-market EVs" is set to intensify competition.

As of now, in the mass segment, Tata Motors, with its models such as the e-Nexon and the e-Tigor, is driving the market almost single-handedly. Most of the other models address the premium end of the market.

Tata Motors took the wraps off its first pure electric car, the Avinya Concept. Based on the firm's third-generation architecture, the Avinya will be the basis for a number of new EVs from the automaker. The model is expected to go on sale by 2025.

Tata Passenger Electric Mobility, the company's EV subsidiary, which announced the takeover of Ford's Sanand plant last week, has a plan to increase EV volumes over four times — from 19,000 units in FY22 to 80,000 units by the turn of the current financial year. It looks to have EVs accounting for more than 30 per cent of its private vehicle sales by 2030.

Ravi Bhatia, president and director, JATO Dynamics, a global supplier of automotive business data, said that while the market for e-passenger vehicles will still be in low single digits by 2025, somewhere close to 8 per cent of the overall passenger vehicle market, those on a lookout for a competitively priced battery-powered car or SUV will have more choice.

"The shift to electric in private vehicles will be gradual," said Bhatia. Global supply chain issues, including the semiconductor shortage, and cost inflation mean that manufacturers will find it tough to drive down costs and bring a model that is priced below ₹10 lakh, he said.

Amid the need to be ESG (environment, society, governance) compliant and do more than just putting the "foot in the door," one will see every other automaker entering the space, said Rahul Mishra, partner, Kearney, a global management consulting firm.

"The commodity inflation and supply chain headwinds are likely to continue in the near term and this will mount pressure on companies and restrict them from bringing mass EV models priced below ₹10 lakh," said Mishra.

Mahindra & Mahindra, which was the first to enter the market with Reva, is all set to re-enter the space after re-crafting the EV strategy in the personal segment.

Using the cricket analogy with regards to the company's plans in the e-passenger vehicles, Anish Shah, managing director and CEO, Mahindra Group, said the automaker is currently in the first few overs of a Test match and that the Reva was like a "practice match" before the Test.

"There is a long way to go. We will have a very strong range of electric SUVs that we will bring in. We are confident that we will have a very strong position in electric," he said at the company's annual press meet on May 30.

The same day the company also said it would reveal its "Born EV Vision" on August 15 at Mahindra Design Europe in the UK. As part of this, three of its upcoming pure electric concepts are set to break cover. The first among these will go on sale in 2025.

Meanwhile, it would be launching an electrified version of the XUV300 in the first half of 2023.

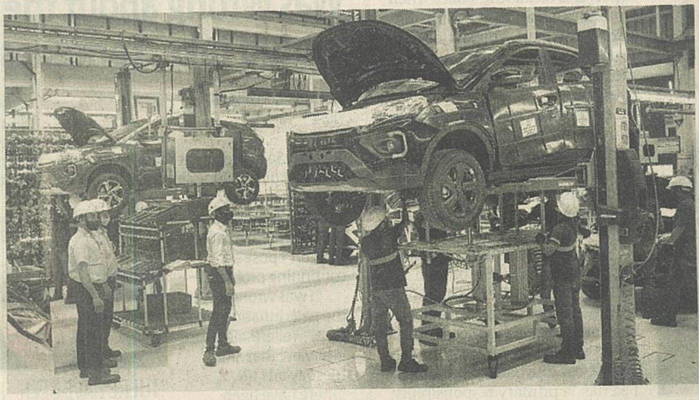
These are among some of the EV models that M&M plans to introduce as part of its overall EV strategy as it seeks to reign supreme in India's nascent market where Tata Motors leads with a lion's share. Shah expects EVs to account for half of the total private vehicle market by the end of this decade. But analysts are a lot more conservative in their forecasts.

Nomura Research expects EVs to account for 15 per cent of the private vehicle market by 2030. "The sweet spot is sub ₹1 million. If OEMs (original equipment manufacturers) can craft it, it is a jackpot," said Harshvardhan Sharma, head — auto retail practice at Nomura Research.

The country's largest carmaker, Maruti Suzuki, will launch multiple electric vehicles models in India as it seeks to catch up with rivals and become a leader in the segment, the company's newly appointed Managing Director and CEO Hisashi Takeuchi said in April.

The company, which plans to launch its first EV model in 2025, also intends to produce EVs from its factories in the future when the demand for these cars picks up in the country. The first EV will be rolled out from Suzuki Motors Gujarat plant. In March this year, Suzuki Motor Corp announced fresh investments of ₹10,440 crore to manufacture electric vehicles and batteries in Gujarat.

Korean carmaker Hyundai that sells the Kona electric sedan, too, is looking to ride the EV wave. In December, it said it would invest ₹4,000 crore to launch six battery electric vehicles by 2028. These EVs will span different segments like mass market and mass premium and will include varied body types. One among these will be a mass-market EV expected before the end of 2024 and will be built locally using an existing internal combustion engine-powered platform.



ELECTRIC GROWTH
EV sales (2018–2021)

Make	2018	2019	2020	2021
Tata	0	728	3,147	11,755
MG	0	0	1,142	2,798
Hyundai	0	292	223	121
Audi	0	0	0	78
Jaguar	0	0	0	53
Mercedes	0	0	46	44
BMW	0	0	1	37
Mahindra	1,418	1,004	254	29
Volvo	22	47	10	12
Total	**1,440**	**2,071**	**4,823**	**14,927**

Source: Jato Dynamics

GREEN WHEELS ON THE WAY

2022:
- Kia Motor India's EV6 (June 2)
- MG Motor's mass (₹10–15 L) EV model (Q1 of FY23)
- Tata Motors e-Altroz Kona electric (face-lift)

2023: Mahindra's e-XUV300

2024: Hyundai's first mass EV model and Tata Motors' Curvv

2025: Born electric car models from Tata Motors, M&M and Suzuki Motor Corp

The Economic Times 13th June 2022

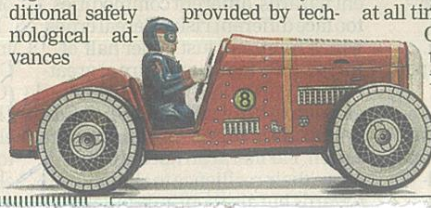
How Safe Are Tech Systems Like Tesla's Autopilot? No One Knows

Automakers and technology companies say they are making driving safer, but it's tough to verify

Cade Metz

Every three months, Tesla publishes a safety report that provides the number of miles between crashes when drivers use the company's driver-assistance system, Autopilot, and the number of miles between crashes when they do not.

These figures always show that accidents are less frequent with Autopilot. But the numbers are misleading. Autopilot is used mainly for highway driving, which is generally twice as safe as driving on city streets, according to the Department of Transportation. Fewer crashes may occur with Autopilot merely because it is used in safer situations. Tesla has not provided data that would allow a comparison of Autopilot's safety on the same kinds of roads. Neither have other carmakers. Autopilot has been on public roads since 2015. But publicly available data that reliably measures the safety of these technologies is scant. Carmakers and tech companies are adding more vehicle features that they claim improve safety, but it is difficult to verify these claims. All the while, fatalities on the country's highways and streets have been climbing in recent years, reaching a 16-year high in 2021. It would seem that any additional safety provided by technological advances is not offsetting poor decisions by drivers behind the wheel.



Despite its abilities, Autopilot does not remove responsibility from the driver. Tesla tells drivers to stay alert and be ready to take control of the car at all times. The same is true of BlueCruise and Super Cruise. But the more immediate concern is the safety of Autopilot and other driver-assistance systems, which are installed on hundreds of thousands of vehicles. —NYTNS

Business Standard 17th June 2022

RECOVERY TRACKER

Higher mobility, vehicle registrations go up

Railways showed a moderation in freight growth numbers

SACHIN P MAMPATTA & KRISHNA KANT
Mumbai, 6 June

People stepped out of their homes more than before with multiple mobility indicators showing a rise.

Retail and recreation visits were higher than the previous week, shows mobility data from search engine Google. It uses anonymised location data to track peoples' movements during the pandemic. Movement is categorised by the kind of place visited. Workplace visits trended higher for the latest week. Visits to parks were near their highest since the pandemic began (*see chart 1*).

Indians registered more vehicles than before. There were a total of 395,022 vehicles registered during the latest week. This is 8.7 per cent higher than the same period in 2019. The overall numbers have trended higher for the first time in weeks (*see chart 2*). Recent weeks have seen lower registrations than in 2019.

Power utilities across the country generated 4,718 million units of electricity on average per day during the week ended June 5, 2022, based on reporting day numbers. It is up 14.6 per cent from 4,119 MUs generated during the corresponding week in 2019. The generation was up 8 per cent week-on-week (*see chart 3*).

People continued to take flights in steady numbers during the latest week. An average of more than 350,000 people took a domestic flight every day, in line with previous weeks, with over 2,700 flights taking off every day (*see chart 4*).

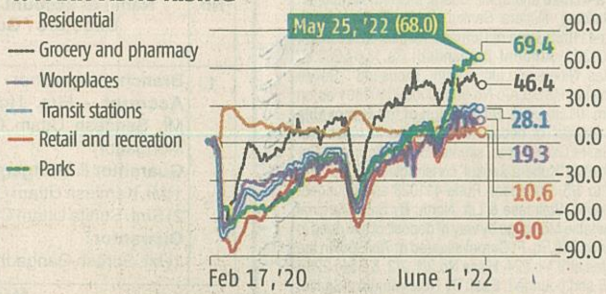
The Indian Railways' freight numbers grew at a slower rate than before. The quantity of goods carried was up 9.36 per cent compared to 17.71 per cent in the previous week. The money it made from carrying these goods was up 16.8 per cent, compared to 22.96 per cent in the previous week (*see chart 5*).

Major cities continued to see lower traffic than was the norm before the pandemic. Monday 9am Mumbai traffic was 50 per cent lower than in 2019. It was down 49 per cent in New Delhi (*see chart 6*).

Business Standard tracks these indicators as a way of getting a weekly picture of the economy. Official government data is often released with a lag. Analysts globally have been tracking similar indicators to see how economies are affected by multiple waves of the pandemic, and government restrictions imposed to control its spread.

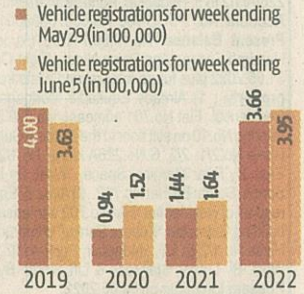
The Google data is released with a lag. The latest is as of June 1. The traffic data is as of Monday 9am on June 6. All other data is as of Sunday, June 5.

1: PARK VISITS RISING



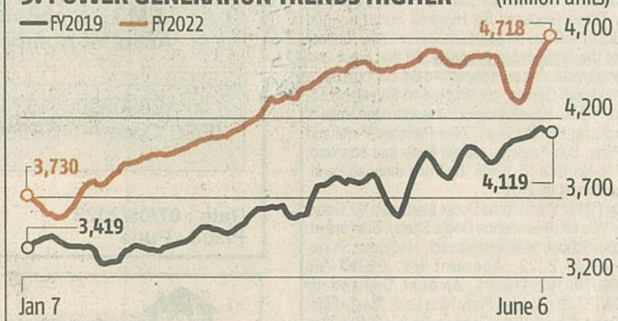
Note: Latest update is as of June 1, 2022, based on location data as processed by the company. The percentage change is compared to a baseline value for the same day of the week, calculated on a median basis during the 5-week period, Jan 3–Feb 6, 2020. The chart shows a seven-day rolling average of visits to each category. Residential data refers to change in time spent at home.
Source: Google LLC "Google COVID-19 Community Mobility Reports", Our World In Data

2: IMPROVEMENT IN VEHICLE REGISTRATIONS



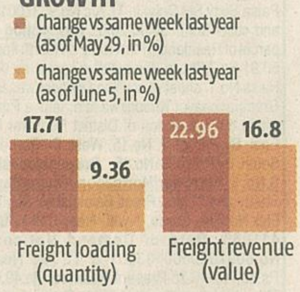
Note: Based on road transport offices (RTOs) for which Vahan data is available.
Source: Ministry of Road Transport and Highways

3: POWER GENERATION TRENDS HIGHER



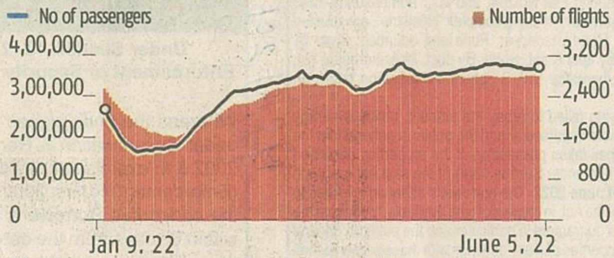
Note: Power generation based on reporting day data (million units, 7-day rolling average)
Source: National Load Despatch Centre

5: DROP IN FREIGHT GROWTH



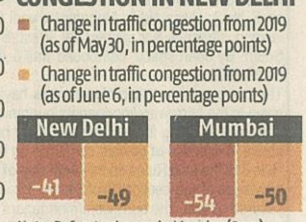
Note: For seven days ending Sunday.
Source: Indian Railways

4: STEADY DOMESTIC AIR TRAFFIC



Note: Shows 7-day rolling average numbers for domestic traffic based on departing flights and passengers. Averages have been used wherever archival data was unavailable.
Source: Ministry of Civil Aviation

6: LOWER TRAFFIC CONGESTION IN NEW DELHI



Note: Refers to change in Monday (9am) traffic congestion. Comparison is made to 2019 levels.
Source: TomTom International

Business Standard 6th June 2022

EVs to drive auto capex up by ₹70K cr in 5 years

SHALLY SETH MOHILE
Mumbai, 5 June

Automobile manufacturers, new and old, as well as ancillary suppliers are set to spend a combined ₹70,630 crore over the next five years on either entering the electric vehicle segment or stepping up their presence in it. Data culled from announcements made by firms shows India, the world's fifth largest automobile market, is poised to receive one of the biggest capex pushes ever to fuel the transition from internal combustion engines to electric motors and batteries as part of a green drive.

The EV push, egged on by the government's emphasis on electric mobility to meet its net zero targets, is expected to yield at least 25 electric vehicles — new ones as well as electrified versions of existing vehicles running on internal combustion engines. It also brings in new investors: start-ups, many of which are looking to make their presence felt by taking market shares from incumbents, and private equity investors, which are awake to opportunities arising out of the changeover.

Pawan Goenka, former managing director and CEO of Mahindra and Mahindra and now the chairperson of the government's Steering Committee for Advancing Local Value Add and Exports, says the current spate of investments "is the culmination of several years of efforts, and production-linked incentives have given it a much-needed impetus".

The Narendra Modi-led government, looking to reduce the country's dependence on fossil fuels and reduce pollution out of exhaust pipes, wants electric vehicles to comprise 30 per cent of private cars, 70 per cent of commercial vehicles. and 80 per cent of two- and three-wheelers by 2030.

Turn to Page 3 ▸

POWER-PACKED

Companies	Planned capex (in ₹cr)	FY23-28	Purpose
Tata Motors	15,000	4 years	▸Ten new models & support ecosystem
Suzuki Motor Corp	10,445	5 years	▸Local production of E-cars and batteries
*Toyota & TKAP	4,100	NA	▸Components of EVs
Hyundai Motor India	4,000	5 years	▸Six EV models
*Ola Electric	3,500	5 years	▸Ramp up of existing capacity
Mahindra	3,000	3 years	▸Development and manufacturing of EV models
HOP Electric	2,000	5 years	▸Boost capacity and launch new models
Omega Seiki	1,900	2 years	▸Mega electric3-wheeler plant
Okinawa Auto	1,500	2 years	▸E-motorcycles and capacity ramp up
Hero Electric	1,500	3 years	▸New facility and ramp up of overall volumes
TVS Motor	1,200	4 years	▸Future technologies and EVs
Ashok Leyland	1,000	3 years	▸New plant for EVs
Bajaj Auto	1,000	5 years	▸New facility for EVs and development of new EVs
Ather Energy	635	5 years	▸Ramp up capacity at its Tamil Nadu plant
Ampere Electric	600	3 years	▸Ramp up capactiy and new product development
Ward Wizard	650	1.5 years	▸Li-ion plant and develop infrastructure for EVs
Total	52,030		
*Component firms	18,600		
Grand total	70,630		

*Includes investment in engine parts
* Part of this investment has already been done
* Cumulative investment expected by 75 companies selected under the PLI scheme
Source: Companies

Business Line 7th June 2022

'High inflation to hamper auto sales'

FADA cautious on recovery, but healthy bookings show that demand may stay put

Sales rise on low base

Category	May 2022	May 2021	% change
Passenger vehicles	2,63,152	86,479	204
Two-wheelers	12,22,994	4,10,871	198
Three-wheelers	41,508	5,215	696
Commercial vehicles	66,632	17,607	278
Tractors	52,487	16,623	216
Total	16,46,773	5,36,795	207

Source: FADA

OUR BUREAU

New Delhi, June 6

The Russia-Ukraine war continues to create demand-supply mismatch delaying the passenger vehicles (PV) availability, while the Reserve Bank of India (RBI) has warned of more inflation as the increase in wholesale prices would lower disposable income hampering auto sales, the Federation of Automobile Dealers Associations (FADA) said on Monday.

FADA continues to remain cautious on any further recovery in auto sales in the near term, it said.

Meanwhile, the PV segment which surpassed May 2019 numbers is witnessing huge demand and dealers are not able to fulfil orders due to supply side constraints. This has not only led to an increase in waiting period (ranging from three months to two years), but is also keeping the customers frustrated, the industry body said.

Healthy bookings and single-digit cancellation show that demand may stay put even when normal supplies resume in months to come, it said while sharing the May retail sales numbers.

Robust demand

The CV segment, especially buses are showing good demand due to re-opening of educational institutions, it said.

In its monthly sales report, FADA said the domestic PV retail sales gone up by 204 per cent year-on-year (YoY) to 2,63,152 units in May compared to 86,479 units in the corresponding month last year.

Similarly, due to a lower base in May 2021 because of Covid-19 second wave, the two-wheeler (2W) sales also reported a growth of 198 per cent YoY to 12,22,994 units last month as against 4,10,871 units in May last year.

Lockdown effect

"Indian auto industry during May 2022 continued its flattish run for the third consecutive month. While YoY comparison with May 2021 shows exceptionally healthy growth rate across all categories, it is to note that May 2021 was affected by the nation-wide lockdown due to Covid," Vinkesh Gulati, President, FADA, said.

The commercial vehicle (CV) retail sales also grew by 278 per cent YoY to 66,632 units during May as compared with 17,607 units in May last year.

Three-wheeler (3W) sales was up six times more at 41,508 units last month against 5,215 units in the corresponding month last year.

Tractor sales grew by over 200 per cent at 52,487 units in May as compared with 16,623 units in May 2021.

Business Line 11th June 2022

Passenger vehicle sales rise 185% in May due to base effect

But hike in repo rates, third-party insurance premium may make road bumpy, says SIAM

In top gear

Category	May 2022	May 2021	% change
Passenger cars	1,24,060	41,536	199
Utility vehicles	1,16,256	45,158	157
Total PVs	2,51,052	88,045	185
Total three- wheelers	28,542	1,262	2162
Scooter	3,98,099	52,409	660
Motorcycle	8,19,940	2,95,280	178
Total two- wheelers	12,53,187	3,54,824	253
Grand total of all categories	**15,32,809**	**4,44,131**	**245**

Source: SIAM

OUR BUREAU

New Delhi, June 10

Total domestic passenger vehicles (PVs) wholesale grew by 185 per cent year-on-year (y-o-y) to 2,51,052 units in May, as compared with 88,045 units in corresponding month last year.

The low base was due to the Covid-19 second wave and lockdown imposed by various States.

The two-wheeler sales also grew by 253 per cent YoY to 12,53,187 units during the month against 3,54,824 units in May 2021, the monthly report shared by Society of Indian Automobile Manufacturers (SIAM) said on Friday.

The total three-wheelers sales grew exponentially at 28,542 units in May as compared with 1,262 units in same month last year. However, the monthly sales of two-wheelers and three-wheelers are still behind as compared to their sales years ago.

"Sales of two-wheelers and three-wheelers continue to remain sluggish in May, as they are even below of what it was nine years and 14 years ago, respectively. Sales of passenger vehicle segment are also still below 2018 level," Rajesh Menon, Director General, SIAM said.

Impact on demand

The recent government interventions would help in easing of the supply side challenges, but the second hike in repo rates and increase in third-party insurance rates, could become more challenging for the customers, thereby impacting demand, he added.

The total sales across categories grew by 245 per cent YoY to 15,32,809 units during last month as compared with 4,44,131 units in May 2021.

Gradual improvement

According to Reliance Securities, few segments also witnessed month-on-month improvement, indicating gradual improvement in industry volume. Rural segment also started witnessing initial recovery ahead of a likely normal monsoon.

"Scooters and MPV (vans) segment reported strong growth of 6-7x, while SUV growth was relatively low at 160 per cent due to high base. Overall industry volume would continue to witness improvement though at slower pace in coming months. Likely easing on semiconductor supply would ramp up production in the second quarter of this financial year, while commodity cost inflation would maintain pressure on margins in the first quarter," it said.

Business Line 13th June 2022

'Global challenges accelerate future trends in auto sector'

We will get to near-zero net automotive debt by FY24, says Tata Motors Chairman

SWARAJ BAGGONKAR
Mumbai, June 12

Global operational challenges such as war, semi-conductor shortages and the pandemic have fast-tracked some of the important future trends of the global automotive industry, said N Chandrasekaran, Chairman, Tata Motors, in the FY22 annual report of the company.

Green mobility

While such global challenges have had a severe impact on businesses, future trends such as shift to green mobility, a stronger supply chain, accelerated digitalisation and access to global talent pool, have seen accelerated adoption.

"Recent history has been relentless with the global pandemic, military conflict, growing inequality, supply-chain shortages and more. Decades of experience has been squeezed into two dizzying years. Businesses have had to cope with this unprecedented sequence of events with speed and agility," said Chandrasekaran.

"While these changes have had a serious impact on businesses and communities, they have also accelerated some important trends for the future: 1) energy transition – irreversible move to green mobility; 2) supply-chain transition – rebalancing of supply chains to become resilient; 3) digital transition – Artificial Intelligence and Machine Learning becoming mainstream; and 5) talent transition – coming of age of the talent cloud – a diverse, inclusive, global talent pool that can be accessed remotely," Chandrasekaran further added.

N Chandrasekaran, Chairman, Tata Motors

Vehicle sales

Tata Motors group comprising Jaguar Land Rover (JLR), Passenger Vehicle (PV) and Commercial Vehicles (CV) saw 1.08 million vehicle sales in FY22, a growth of 20 per cent over FY21 volumes. However, FY22 volumes were still lower than FY19, when the group sold 1.27 million units. Revenues during FY22 also hit a three-year high at ₹2.78-lakh crore. At the consolidated level during FY22, Tata Motors brought down its loss by 15.6 per cent to ₹11,309 crore and by 42 per cent to ₹1,391 crore at the standalone level compared to FY21.

> 'Despite the margins being impacted by supply-chain issues and runaway commodity inflation, our India business ended with strong free cash flows of ₹1,879 crore'

"Despite the margins being impacted by supply-chain issues and runaway commodity inflation, our India business ended with strong free cash flows of ₹1,879 crore. We are committed to restoring the profitability of this business as it returns to competitive growth and inflation stabilises," Chandrasekaran added.

With Tata Motors Group having three independent business units – JLR, PV and CV – it is able to offer differentiated value propositions to different customer segments while leveraging backend and corporate synergies.

"This has made Tata Motors lean, nimble and customer-centric. Each of these businesses is self-sustaining, which gives me the confidence that we will get to near-zero net automotive debt by FY24," Chandrasekaran added. Tata Motors' net automotive debt shot up by 19 per cent in FY22 to ₹48,679 crore, primarily on account of working capital.

FY22 also saw the formation of two new subsidiaries — Tata Motors Passenger Vehicles (PV) and Tata Passenger Electric Mobility (EV).

The PV division recorded its highest-ever domestic annual sales of 3,70,354 units in FY22. Overall domestic market share increased to 12.1 per cent (+390 bps versus FY21) and further to 13.4 per cent in Q4 FY22.

EV sales

In EVs, the company registered its the highest-ever annual sales of 19,105 units in FY22 (up 353 per cent versus FY21) with penetrations touching 7.4 per cent by Q4 FY22.

"While the near-term outlook is fluid with multiple challenges that I outlined above, the business is taking the right actions to navigate them, and I am confident that we will emerge stronger," Chandrasekaran added.

The Economic Times 2nd June 2022

OUTSELLS KOREAN CO IN MAY BY 1,048 UNITS

Tata Motors Inches Closer to Hyundai in No. 2 Race

Ketan Thakkar & Ashutosh R Shyam

Mumbai: The race for number 2 position in the highly competitive Indian passenger vehicle market is getting hotter.

A strong demand in the market place and a relatively better semiconductor sourcing is helping Tata Motors inch closer to Hyundai Motor India for the number two position in the highly competitive Indian passenger vehicle market.

Tata Motors, which posted its highest ever monthly sales at 43,341 units, overtook Hyundai Motor India in monthly sales in May, which sold 42,293 units. This is the second time in the last six months, Tata Motors has overtaken the South Korean rival.

The maneuver that helped Tata Motors race ahead of Hyundai, was also due to the maintenance shut down taken by Hyundai during the month. The maker of Creta and Venue is expected to recoup lost production in June and July – with an expected improved supplies of semiconductors too, say people in the know.

Tata Motors in a statement said, the company has delivered its highest ever monthly sales of 43,341 units since inception – PV and EV domestic combined. This also was the highest ever monthly sales of Nexon and also for Harrier and Safari.

Sales have emerged strong every month, said Shailesh Chandra, MD of Tata Motors Passenger Vehicles Ltd. "All our products are leaders in their respective segments, forming a portfolio that is rich in selections, ranging from smart trim choices to strong powertrain options, making us the only OEM catering to customer needs across petrol, diesel, CNG and EV. Furthermore, with 70% of our portfolio focusing on SUVs, we continue to maintain our position as the No.1 SUV player in the country, with the Nexon topping the charts in its category and emerging as the most-selling SUV," said Chandra.

While Tata Motors has registered a growth of over 50-60%, Hyundai Motor India has witnessed its sales slip by 10-15% due to the chip shortage. "Both HMI plants in Chennai observed the scheduled biannual maintenance shut down leading to no production for 6 days in the month. This reduced the vehicle availability in the month, affecting May sales," said Hyundai Motor India in a statement.

Racing Ahead

	Hyundai	Tata Motors
Jan-22	44,022	40,780
Feb-22	44,050	39,980
Mar-22	44,600	42,295
Apr-22	44,001	41,590
May-22	42,293	43,341
YTD total	218,966	207,986

Business Line 2nd June 2022

Auto industry gearing up for ₹30,000-crore capex in FY23

To cover new factories, output expansion, ongoing investments

SWARAJ BAGGONKAR

Mumbai, June 1

Confident of riding a strong demand upcycle, vehicle manufacturers and their component partners will spend more this year on new capacity creation, and development of new products and technologies.

Per the initial guidance on capital expenditure (capex) provided by some of India's top listed automotive and ancillary companies, ₹30,000 crore is earmarked for FY23. The capex would cover the new factories being put up by Maruti Suzuki, Tata Motors, Mahindra & Mahindra; expansion of output by JK Tyre and Ceat; and development of new products and technologies by all manufacturers.

Stepping up investments

"We will be stepping up investments between commercial and passenger vehicles as also for electric commercial vehicles. And, therefore, we expect to see close to about ₹6,000 crore of capex spending in FY23," said PB Balaji, CFO, Tata Motors, in a recent conference call.

Last year, the company had lined up ₹3,500-crore capex. Tata Motors, which has been operating at close to peak capacity, is looking to buy Ford India's factory in Gujarat to bring readymade infrastructure on board, too.

Capacity step-up by vehicle makers will concurrently lead to similar increases by their auto parts supplying partners

Sitting on an order book equal to eight months of production at the current rate, M&M will spend ₹2,300 crore for enhancing production capacity for the XUV700, other SUVs and for tractors over this year and next.

Joining the party are...

A host of large unlisted entities including MG Motor, Hyundai, the Toyota Group, the Volkswagen Group, and start-up electric vehicle companies such as Hero Electric, Wardwizard and Okinawa Autotech also have robust capex plans for the current year, which would be partly funded through sale of equity as well.

MG Motor, for example, is looking to almost double its production this year to around 70,000 units and then nearly doubling that again next year to 130,000. Rajeev Chaba, President and Managing Director, MG Motor India, said, "We are committed to launching our fifth car and increasing production capacity to 130,000 units a year."

Capacity step-up by vehicle makers concurrently will lead to similar increase by their auto parts supplying partners. According to rating agency Crisil, the domestic tyre industry is expected to increase capex to ₹5,000 crore this fiscal compared to ₹3,700 crore in the last financial year.

The increased capex reflects improved business sentiments which was marred for two years by the pandemic and subsequent supply chain challenges led by severe shortages of semiconductors.

Dealing with challenges

Rajesh Jejurikar, Executive Director, M&M, said, "We are tracking the semiconductor situation very closely. It will not be as bad as it was two years back. New capacities of semiconductors are a year away, so it is going to be tight for everybody until then."

The car industry is perhaps sitting on an aggregate open bookings of 7.5 lakh units, almost half of which is held by market leader Maruti Suzuki. M&M has around 178,000 bookings in hand while Tata Motors has over 150,000 bookings.

"We are not expecting entire semiconductor plants shutting down in the foreseeable future," said another top executive of a car and SUV making company.

PRESS REPORTS
ON
ELECTRIC VEHICLE

The Economic Times 3rd June 2022

'Kia India Will Start Local Production of EVs in 2025'

ET Q&A

TAE-JIN PARK
MANAGING DIRECTOR, KIA INDIA

Korean auto major Kia, which has scripted a success story in the Indian market with a range of SUVs, will scale up research and development work in the country to locally manufacture an electric vehicle in the next three years. While some automakers have already introduced electric vehicles at the affordable end of the market, the industry is still at a nascent stage, says Kia India managing director Tae-Jin Park in an interview with **Sharmistha Mukherjee.** Edited excerpts:

Kia India has registered 355 bookings for EV6, 3.5X more than planned. Would you introduce more electric vehicles in the next couple of years?

We are starting with EV6 because we want to show the global best to Indian customers. We are working on an India-centric EV. Local manufacturing – we are planning in 2025. During this time, we are (also) looking forward very carefully. As we already mentioned, we are developing the 14 BEVs globally (for launch by 2027). Among those, we are looking for the best options for the Indian market. It is not finalised (how many and which vehicles will be launched in India).

The Indian electric vehicle market is growing very fast. Tata is an aggressive brand. But we are examining which is the best model and what would be the best time for launch

Charging infrastructure is expected to be more widespread by 2025. Are you looking at launching a mass market EV?

What we can say is in 2025, we will start local production of electric vehicles. We are very carefully looking at which model is best for the market here. We are approaching the market, from premium to mass (ends). We are confident (right now) which model is best for India, so we are very carefully discussing with our headquarters. It will depend on Indian infrastructure/charging systems, mindset of the customers, competitors and also of course, on localization status in stocks in India.

Homegrown auto majors such as Tata Motors have already introduced affordable EVs and are registering healthy sales....

The Indian EV market is growing very fast. Tata is an aggressive brand. But we are examining which is the best model and what would be the best time for launch. The government is very positive about pushing EVs. We are exploring localisation possibilities. Of course, we can bring in CBUs (completely built units), but it is not the best option or solution for Indian customers. That is why even though we will take some time, we will look carefully. What is the right time (for launch) and which model is best (for the market).

Given the pace at which demand for electric vehicles is evolving in the Indian market, when do you feel we will reach the inflexion point?

The EV market in India is a very small. Last year it was below 20,000 units. This year, looking at the sales trend, it could be around 40,000 units. We are evaluating the sales trend to determine a good opportunity for us. Most OEMs are talking about the year 2025. This will be a very good time to starting mass production of EVs in India and then it will very aggressively continue for the next five or 10 years.

FOR FULL INTERVIEW, GO TO
www.economictimes.com

Business Standard 11th June 2022

EV mishaps due to rush for biz: Bajaj

'Upstarts and not start-ups have entered the sector'

SHALLY SETH MOHILE
Akurdi, 10 June

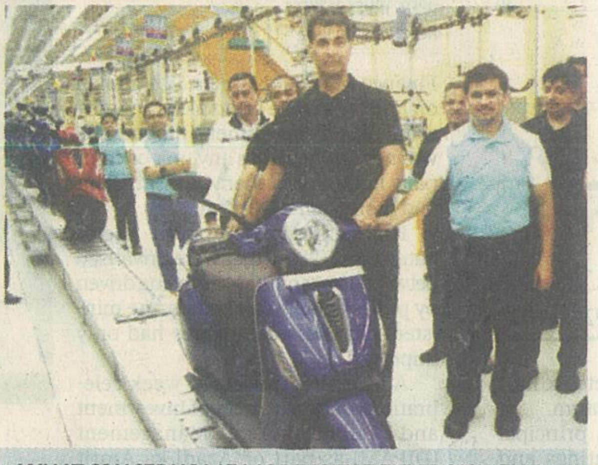
An environment that promotes a "mad rush" to get into the electric vehicles (EV) business is more worrying than such two-wheelers catching fire, said Rajiv Bajaj, managing director of Bajaj Auto, on Friday.

Buyers will not be put off by fires because they can figure out reliable brands, but the authorities must not dilute quality norms, Bajaj told reporters after the inauguration of a Chetak Technology' facility in Akurdi near Pune.

"What concerns me more is the environment that has promoted this mad gold rush (to get into EVs). When the flower doesn't bloom, you don't fix the flower, you fix the environment. Why is this happening in the EV world? Why are people who have no business to be in the EVs, are in the business?

"This must be fixed and understood. It's partly the incentives and partly because the relevant authorities in the government have diluted the norms," said Bajaj," referring to low-speed (up to 50kmph) vehicles that do not go through testing or validation.

"Under the guise of low-speed vehicles, one can bring any junk from anywhere and sell it here," he said.



WHAT CONCERNS ME MORE IS THE ENVIRONMENT THAT HAS PROMOTED THIS MAD GOLD RUSH (TO GET INTO EVS). WHEN THE FLOWER DOESN'T BLOOM, YOU DON'T FIX THE FLOWER, YOU FIX THE ENVIRONMENT

RAJIV BAJAJ, Managing Director, Bajaj Auto

"Concerned people have to reflect on this. As far as the consumers are concerned, they are smarter and know how to make a choice."

"There is a big carrot out there in the marketplace in the form of FAME and state level benefits which is just tempting so many people who have perhaps failed at everything else to import some kits and sell them. Unfortunately, this is the environment that exists. Will it necessarily colour the industry? I don't think so," said Bajaj, referring to an Indian government scheme promoting EVs.

"There are so-called EV makers every day. You call them start-ups; I call them upstarts." Without naming any particular brand, he said he is amazed that people "With no R&D, no real purchase experience in the engineering sense, and nothing more than just half an assembly facility are importing stuff that has not been validated for the marketplace. "That is perhaps why you are seeing what you are seeing -- accidents, mishaps or fire incidents."

Business Line 8th June 2022

Mitsubishi Electric to set up Pune factory at ₹220 crore

PRESS TRUST OF INDIA
New Delhi, June 7

Mitsubishi Electric Corporation on Tuesday said it will invest about ₹220 crore (3.1 billion yen) in its Indian subsidiary to set up a new factory in Maharashtra.

The new two-floor, 15,400 square-metre factory will be built on 40,000 square metres of land near Pune. Its subsidiary Mitsubishi Electric India will manufacture inverters and other factory automation (FA) control system products, said a statement from the Japanese manufacturer of electrical and electronic products.

Operations by Dec 23

To start operations in December 2023, the factory will expand the company's capabilities to meet the growing demand, it added. "The Indian market is expanding at an annual rate of about 8 per cent mainly in industries such as automobiles, food & beverage, pharmaceuticals, data centres, and textiles, with further market expansion expected," it said.

The Economic Times 13th June 2022

Battery Swapping for Higher-range EVs can Ease Range Anxiety: Firms

EV industry seeks policy focus on higher range to sidestep concerns around lower dock availability

Bharani.V@timesgroup.com

Chennai: Battery swapping for electric vehicles (EVs) should focus on higher-range vehicles, as lower availability of docks initially would force users to make detours for a swap, industrialists said.

Industrialists agree that swapping is a welcome move to jump-start the adoption of EVs

This came in response to a paper by government think tank Niti Aayog. They, however, agreed that swapping was a welcome move to jump-start the adoption of EVs despite fundamental questions about its viability.

IT industry body Nasscom, in its response to Niti Aayog's Draft Battery Swapping Policy, has recommended that batteries with a higher range, at about 80-100 kilometres a swap, should be encouraged to meet demand to go longer distances "without having to take detours to find a battery swap dock." Nasscom, which has among its members EV brands such as Ather Energy, has also pointed out that EV riders are likely to rush to a swap dock due to "range anxiety", meaning users could initiate swap before the battery runs out.

The budget had outlined a battery swapping policy for EVs.

The Niti Aayog paper drives battery swapping as an alternative to charging to reduce downtime and focuses on light EVs such as two-wheelers and e-rickshaws/e-carts. It also envisages demand-side incentives for buyers and battery providers. An EV user would purchase a vehicle without a battery, significantly cut upfront costs, and become a subscriber with a battery provider and pay regular charges for battery services throughout the vehicle's lifetime.

Industry representatives, EV makers and academics have also welcomed the policy, though they say that several issues — from interoperability of battery packs to pricing to range predictability— remain.

EV company Altigreen, which successfully tested a 150-km drive on its electric three-wheeler for last-mile recently, believes the "lack of ownership" of the battery by the user would work against the battery swapping concept itself.

Academics agree that battery swapping needs to be promoted even as charging infrastructure is developed, in order to offer users additional flexibility.

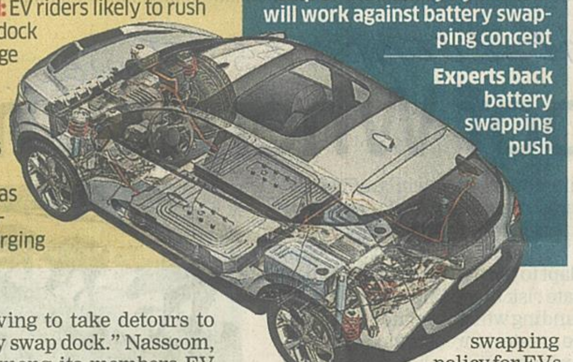
Powering Up

NASSCOM: EV riders likely to rush to a swap dock due to range anxiety

NITI AAYOG pushes battery swapping as an alternative to charging

ALTIGREEN SAYS lack of ownership of the battery by the user will work against battery swapping concept

Experts back battery swapping push



FOR FULL REPORT, GO TO www.economictimes.com

Business Line 23rd June 2022

Hero MotoCorp puts off EV launch to festival season

Supply chain issues, shortage of components cause for further delay

S RONENDRA SINGH

New Delhi, June 2

The country's largest two-wheeler manufacturer, Hero MotoCorp, has again delayed the launch of its electric vehicle (EV). The vehicle, instead of rolling out next month, will be launched during the festival season, owing to the ongoing supply chain issue worldwide.

"The ongoing geopolitical situation has resulted in enormous supply chain issues and shortage of various components, including semiconductors. Keeping customers as the top-most priority, we, therefore, feel it would be prudent to unveil the first EV product around the upcoming festival period instead of July as earlier announced. We are accordingly gearing up for the launch of Vida- powered by Hero-in the festival season," Swadesh Srivastava, Head of Emerging Mobility Business Unit (EMBU), Hero MotoCorp, said in a statement.

The company had launched Vida as its EV brand in March. The company first's dateline for the launch was set for March, which was postponed to July 1.

Improving sentiment

Meanwhile, the company reported a growth of 192 per cent year-on-year (y-o-y) in its domestic wholesale (dispatches to dealers) to 4,66,466 units in May compared with 1,59,561 units in May 2021. The low base was due to the Covid restrictions around same month last year.

Volumes in May indicate the continuously improving consumer sentiment, which the company expects will continue in coming months, on the back of normal monsoon, a decent Rabi harvest and continued government policy support, Hero MotoCorp said.

Business Line 15th June 2022

Switch Mobility bets on 'lowest cost of ownership' model for e-bus

Launches new e-bus EiV12 with low floor and standard options

G BALACHANDAR
Chennai, June 14

Switch Mobility, the electric-vehicle arm of Ashok Leyland, said its electric bus strategy would be based on offering the lowest TCO (total cost of ownership) model, backed by 4-key parameters, in order to make the EV adoption successful, while announcing the formal introduction of its new electric bus platform EiV12.

The company's electric bus philosophy will be built upon achieving the lowest TCO through light weighting, modularity, best-in-class battery pack and state-of-the-art digital adaptation.

Dheeraj Hinduja (left), Chairman, Switch Mobility, and Mahesh Babu, CEO, Switch Mobility India, at the launch of new electric bus platform in Chennai on Tuesday BIJOY GHOSH

Optimising all factors

"Lower TCO has driven faster electric vehicle adoption in three-wheelers. Similarly, we are focusing on TCO for the electric bus, too. Because the e-mobility as a service (eMaaS) model has only 20-22 per cent cash outflow due to the cost of the electric bus. There are many other factors that add up to 100 per cent. So, we don't look at the product alone but focus on optimising charging, energy, manpower, utilisation and uptime etc. Our e-buses today are operating at 98 per cent uptime (as against the business case of 95 per cent), which allows more collections and revenue. This is how we intend to make EV adoption successful," Mahesh Babu, CEO, Switch Mobility India told *BusinessLine* during a select discussion.

The company will offer different business models such as eMaaS, wet lease, etc., depending on the customer segment requirements. It plans to sell its electric buses in intra-city, inter-city, staff and school transportation and tarmac (airport) segments. But in the case of STUs (state transport undertakings), it will have select participation and may not take part in all STU tenders.

"Switch Mobility's unique positioning is that it can travel both in premium and value segments globally with presence in India, UK, and most recently in Spain. The low-cost support and engineering support from the Indian base is undoubtedly an added advantage for us," said Dheeraj Hinduja, Chairman, Switch Mobility.

The company will have a dedicated service network for providing service support to its electric bus customers.

The Economic Times 7th June 2022

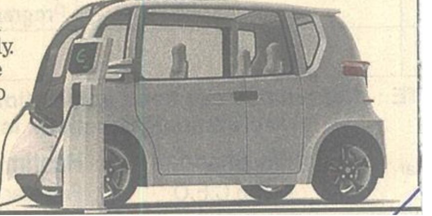
Foxconn's Electric Vehicle Push Takes it Back to Memory Lane

Bloomberg

Consider, if you will, a scenario where Foxconn Technology Group enjoys margins three times fatter than Apple. That may be hard to imagine because the developer of iPhones is one of the largest companies in the world, earning close to $100 billion annually, while the one that makes those devices brings in 5% of that. But this was once the case. The year was 1996, and Hon Hai Precision Industry — Foxconn's flagship — posted a gross margin of 31% while Apple delivered just 9.8%. It was a historic low for the Cupertino company, during Steve Jobs's hiatus from the business he founded. It was also a record high for the Taiwanese electronics manufacturer. The roles have since switched and last year they posted figures of 42% and 6%, respectively.

Yet Foxconn has a plan to reverse its margin decline by going back to the core business that Terry Gou started almost 50 years ago, one that preceded the iPod and iPhone and was driven by a boom in computers, early games consoles and even dot-matrix printers. If Gou's successor, current Chairman Young Liu, is right then today's electric vehicles might be akin to the PCs of the 1990s — and could become a catalyst for levels of profitability not seen in 20 years.

In the mid-1990s, personal computer uptake was booming with consumers, schools and businesses rushing to install those beige metal boxes on their desks. Companies like Compaq Computer and Dell Computer were growing fast and the internet was in its nascent phase. Gou found his niche early on, developing and churning out the myriad small components that connect all the parts of a computer — hence the name Foxconn.



Business Line 7th June 2022

Tata Motors bags order to supply 10,000 Xpres-T electric sedans

Rough estimates put the order value at around ₹1,000 cr

OUR BUREAU

Mumbai, June 6

Tata Motors, India's largest electric car maker, has bagged an order to supply 10,000 Xpres-T electric sedans to BluSmart Electric Mobility.

These vehicles are in addition to the 3,500 Xpres T electric vehicle order, which was signed by both the companies in October last year.

While Tata Motors did not share the value of the order, with the Xpres-T price starting at ₹9.6 lakh, rough estimates puts the order value at ₹960-₹1,000 crore. Launched in July last year, the Xpres-T is a commercial variant of the Tata Tigor EV.

Anmol Singh Jaggi (left), Co-Founder, BluSmart Electric Mobility, with Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility

Shailesh Chandra, Managing Director, Tata Motors Passenger Vehicles and Tata Passenger Electric Mobility, said, "It is heartening to see renowned fleet aggregators joining the green mobility wave with us. We are delighted to continue our association with BluSmart Electric Mobility as we deploy 10,000 Xpres-T EVs across the country."

According to Anmol Singh Jaggi, Co-Founder, BluSmart Electric Mobility, "With our $50 million in Series A fundraise, we are supercharged to rapidly expand across Delhi NCR and the metro cities. BluSmart Electric Mobility has covered 50 million clean kms and delivered over 1.6 million zero-emission rides with an elevated customer experience on its platform."

XPRES-T electric sedan

The XPRES-T electric sedan comes with 2 range options – 213 km and 165 km (ARAI certified range under test conditions). It packs a battery of 21.5 kWh and 16.5 kWh and can be charged from 0- 80 per cent in 90 minutes and 110 minutes, respectively, using fast charging or can also be normally charged from any 15 A plug point, which is easily available and convenient. The car has a single speed automatic transmission, dual airbags, ABS with EBD as standard across variants.

Market share

Tata Motors has a market share of 87 per cent in FY22. It has sold over 25,000 Tata EVs till date in personal and fleet segment.

Business Line 8th June 2022

Ola in talks with global suppliers for $1-b cell manufacturing plant

From 1 GWh, plant to expand capacity to power 10 million e-scooters annually

PRESS TRUST OF INDIA

New Delhi, June 7

SoftBank Group-backed Ola Electric is in talks with multiple global suppliers to build a battery cell manufacturing plant in India with a capacity of up to 50-gigawatt hours (GWh), sources said. As part of its broader electrification push, the firm plans to invest in companies with advanced cell and battery technology, alongside the 50 GWh battery plant.

Over 40 global suppliers are already in Bengaluru to meet with Ola founder and CEO Bhavish Aggarwal at the company's headquarters and are also visiting the Ola Futurefactory in Krishnagiri, Tamil Nadu this week, sources aware of the matter said.

Ola Electric needs 40 GWh of battery capacity to power 10 million electric scooters annually. The remainder will be for its electric cars, which the company plans to manufacture in the future.

Bhavish Aggarwal, CEO, Ola

Sources said the cell battery plant may cost around $1 billion (over ₹7,700 crore) and may be built with an initial capacity of 1 GWh, which will be expanded in the future.

To develop entire ecosystem

Ola Electric, they said, has initiated talks with global suppliers from Germany, Korea, Japan and other hubs to fuel its battery manufacturing ambitions. It currently imports its battery cells from South Korea. Companies like Dürr and Siemens also seem to be on the list of suppliers.

The battery cell manufacturing sector is dominated by the likes of CATL, LG, Energy Solutions, and Panasonic, which supply to automakers such as Tesla and Volkswagen.

Industry experts believe that one of the world's youngest EV companies is keen to begin cell manufacturing by next year. Aggarwal has already stated that India can soon replace China and emerge as the global hub for electric vehicles (EVs) .Towards this end, Ola plans to develop the entire ecosystem– cell and battery tech, global supply chains, interconnected as well as autonomous vehicle technologies.

Ola Electric is the only Indian auto and EV company that has been selected by the government under its ambitious ₹80,000 crore cell PLI scheme to set up an advanced cell manufacturing factory in 2 years.Its cell Production Linked Incentive (PLI) bid was for the maximum allowed bid capacity of 20 GWh.

PRESS REPORTS
ON
TWO – THREE WHEELERS

The Economic Times 16th May 2022

The Economic Times 4th June 2022

BIGGER COS LOOK TO RAISE $100-250 M EACH

PEs to Recharge Two-wheeler EVs with $2b Funding

Hero Electric, Ather, Pure EV, Simple Energy, TVS Motor, Ivoomi, Oben tapping PE funds

Ketan Thakkar & Ashutosh R Shyam

Mumbai: Electric two-wheeler makers are tapping global private equity (PE) funds to propel their expansion plans, as the nascent sector looks set to take off in a big way.

Two-wheeler electric vehicle (EV) firms as well as ancillary units are set to raise around $1.5-$2 billion from PE firms, with nearly half of this capital already in advanced stages of discussion for infusion soon, investment bankers and founders told ET.

Hero Electric, Ather Energy, Pure EV, Simple Energy, TVS Motor, Oben and Ivoomi are likely to witness private capital inflow, they said, with the larger firms looking to raise around $100-250 million each, while the smaller ones seek about $30-60 million each.

The reach of electric two-wheelers has inched up to 4% of the overall market and two-wheeler EV makers are seeking to ramp up installed capacities and expand their dealer networks. The capital will mainly go towards this, people in the know said.

Hero Electric has lined up Rs 1,500-2,000 crore to set up two greenfield factories in the South and West. It is, therefore, considering a fresh round of funding, having already got $30 million from UAE-based Gulf Islamic Investments last year.

"The Series B funds were utilized in capacity expansion, marketing, new product development, network expansion, building an EV ecosystem, and R&D," Naveen Munjal, managing director of Hero Electric, told ET. "As and when we require additional funds, we will raise more capital to continue fuelling our growth and expansion targets."

Hero Electric has targeted an annual capacity of five million units and has also inked a contract manufacturing deal with Mahindra & Mahindra to source vehicles from the latter's Pithampur plant.

Suhas Rajkumar, founder and CEO of Simple Energy, said fundraising is a process that never stops at startups. At last-mile mobility specialist Yulu, fundraising is round the corner, said Amit Gupta, its chief executive.

Business Standard 1st June 2022

Electric scooter growth stagnates after meteoric rise

Registrations drop over 24% in May compared to April

SURAJEET DAS GUPTA
New Delhi, 31 May

Electric scooter registrations of eight companies which represent 95 per cent of the market have seen a sharp fall of over 24 per cent in May.

They have registered 32,680 electric scooters against 43,098 in April according to VAHAN data from the Ministry of Road Transport and Highways available till the evening of 31 May.

Auto analysts say the fall is a reflection of the initial pent up demand in the early part of the year for such vehicles,which was evinced in huge bookings, being met. The numbers will become even more 'realistic', they say.

The registration numbers in May have seen Ola Electric cede its number one position which it achieved in April to Okinawa. Ola registration numbers hit 8704, a fall of over 31 per cent from April.

Okinawa had 8894 registrations though it too saw a fall of 19 per cent from April.

Hero Electric has continued its sharp slide downwards.

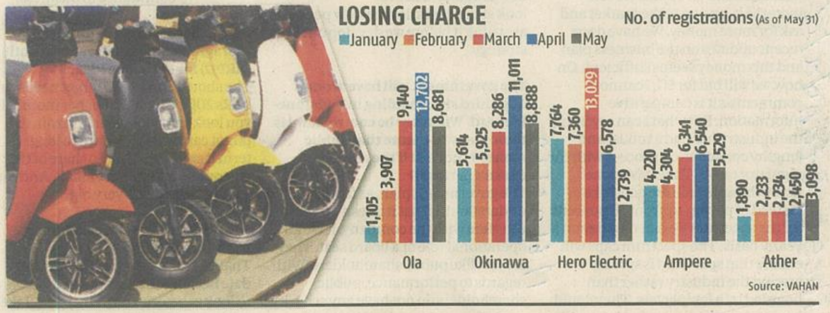
Ather Energy, which recently received $128 million of fresh funding from the National Investment and Infrastructure Fund and Hero MotoCorp (which has a 35 per cent equity), saw registrations rise by 26 per cent in May over the previous month. But even with the rise, the figure still stood at only 3110 vehicles.

The numbers do not include those of Bajaj Auto and TVS which do not report it separately on VAHAN site.

Harshvardhan Sharma, head of the auto retail consulting practice in Nomura, said pent up demand seems to have been satisfied. "It is the natural buoyancy of the market which is at play now after the fizz," he said.

Sharma mentioned three other reasons for the fall: demand hesitation due to e-scooters catching fire, the chip shortage and supply constraints, and low demand seasonality in these months.

Turn to Page 19



Electric...

Electric vehicle makers blame the numbers on supply chain constraints and say that they can make more vehicles to meet growing orders but don't have chips and components.

Ather Energy co-founder Tarun Mehta said that if the chip shortage is not exacerbated further, the industry should be able to produce 100,000 electric scooters by the end of the month. Demand and bookings were going up, he said.

Ather can make 10,000 vehicles a month to meet demand but Mehta said it is currently using only 30 per cent of capacity.

Hero Electric declined to comment on the decline and Ola Electric did not respond to queries.

The February and March figures had prompted analysts to make ambitious projections. In February, registrations were up 15 per cent over January. In March, they were up by a staggering 58 per cent over February.

Based on these figures, analysts projected that, despite the chip shortage, electric scooters would hit 0.7-0.8 million vehicles at the end of the calendar year.

This would have represented an inflexion point for the industry; it would have represented a 13 per cent share of the overall scooter market (ICE and electric scooters).

Analysts had also estimated that in 2023, electric scooters would go up to 1.5-2 million, marking another milestone by becoming 10 per cent of the total two wheeler market (scooters and mobikes) which is around 18-20 million per annum.

This view needs to be revised. Growth stagnated in April, although it held on to March levels. In May, the average registration of the first five months of the year stood at 34,700 vehicles per month.

The average monthly figure the industry needs is over 61,000 in order to reach even 0.6 million for this calendar year.

Business Line 6th June 2022

Drop in electric 2W sales drags total EV registrations down 9% in May

G BALACHANDAR
Chennai, June 5

Total registrations of electric vehicles dropped nine per cent in May on a sequential basis as sales of electric two-wheelers, a key driver of overall EV volumes, declined for the second month.

EV registrations in May stood at 65,813 units compared with 72,519 units in April and 77,245 units in March. In the second wave of the Covid-19 pandemic that hit in May 2021, total EV registrations stood at 3,311 units, according to data on the Vahan Dashboard.

According to a report by JMK Research, last month, the overall high-speed electric two-wheeler registrations stood at about 39,438 units compared to 49,141 units in April and 49,591 units in March.

New launches postponed

While electric two-wheeler manufacturers say chip shortages have hit production, industry analysts are of the view that the reports of fires involving electric two-wheelers may have also muted the demand, though it is difficult to quantify. These incidents have also forced manufacturers to go back to the drawing board with many postponing new launches.

Okinawa sold the highest number of electric two-wheelers at about 9,300 units in May (11,013 in April), followed by Ola Electric, which also recalled some of its models after fire incidents, at about 9,200 units (12,702 units in April). Ampere sold 5,820 electric two-wheelers in May down from 6,540 units the previous month.

Hero Electric sold about 2,850 units, down from about 6,600 units in April and 13,030 in March.

Ather Energy was the only player to see an increase in registrations, at 3,326 units in May compared to 2,451 units in the previous month.

"Manufacturers need to take the onus on themselves to make EVs a safer option. They need to improve R&D, battery performance, equipment quality, last-mile recharge, and the overall customer experience," said Snigdha Parida, Senior Analyst at GlobalData, a leading data and analytics company.

Cars on a high

The total electric car registrations in May stood at 3,796 units compared with 2,659 in April, witnessing an m-o-m rise of 43 per cent but a y-o-y surge of 15 times. While Tata Motors accounted for 91 per cent of the total electric car registrations during the month, electric car sales by BYD and Hyundai also saw a surge, said the JMK Research report.

Registration of electric three-wheeler passenger vehicles totalled 20,788 units and cargo type vehicles 2,533 a m-o-m increase of about 11 per cent and 9.37 per cent.

PRESS REPORTS
ON
TRACTORS

Business Standard 15th June 2022

Tractor makers reap crop bounty

SHALLY SETH MOHILE & SANJEEB MUKHERJEE
Mumbai/New Delhi, 14 June

The bounty earned by farmers from the sale of wheat in the open market to private traders has given tractor makers in India one more reason to cheer.

Farmers used the proceeds from the windfall to purchase tractors, leading to a sharp 44 per cent spike year-on-year (YoY) in the first two months of the April-June quarter — the highest in four years for the comparable period — reveals the data from the Tractor and Mechanization Association.

Farmers may have earned an additional ₹5,994 crore this year.

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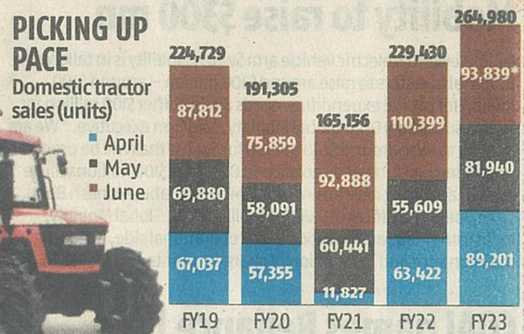
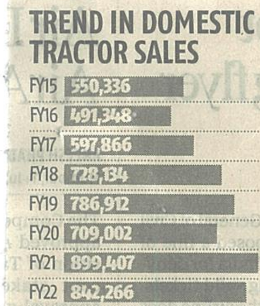


Note: *June FY23 number is an estimate
Source: Tractor and Mechanization Association



Source: TMA/CRISIL Research

Tractor...

They achieved this by selling their wheat crops to private traders at higher rates rather than offering the grain to the government at the minimum support price (MSP), according to the food ministry.

Tractor sales in India increased to 171,141 units in the first two months of the June quarter, against 119,031 units in the corresponding months a year ago. This is the highest jump in the comparable period since 2018-19, shows the data from the tractor industry body.

High food prices and the forecast of a favourable monsoon may set cash registers ringing at tractor firms in the months to come, albeit at a slower pace, said T R Kesavan, chairperson, Federation of Indian Chambers of Commerce & Industry (Ficci) National Agriculture (Agri) Committee.

An expected decline in the current month — which comes on last year's high base and expected lower billing at dealerships owing to sufficient stock, among other factors — may moderate growth to around 15 per cent for the June quarter of 2022-23, said Kesavan.

"Thereafter, if the monsoon is good (arriving on time and leaving on time), it can be higher than the estimates," he added. April sales saw a spill-over effect of a lower billing in March. A price increase in early May also enhanced volumes. This is likely to enfeeble billing in June, leading to a 10 per cent YoY decline over last June which was a bumper month, observed Kesavan.

"The on-ground demand has been very positive in the past two months," said Hemant Sikka, president-farm equipment business, Mahindra & Mahindra (M&M).

Tractor sales at M&M have advanced 50 per cent in this period. This high-paced growth of 50 per cent will see some moderation in the next few months before picking up in the festival season, he stated.

"With forecasts of a normal monsoon for the fourth year on the trot, the kharif crop is likely to see bumper production. This will support tractor industry growth in the months to come," said Sikka.

Good realisation of the rabi crop has played a significant role in rural recovery. Crop production, its falling share notwithstanding, still constitutes around 38 per cent of the monthly average income of an agriculture household in rural areas, shows the National Sample Survey Office data.

Prices of most food items have been ruling above their state-mandated price or last year's levels since the past few months, starting with wheat, which is by far the biggest crop grown in North India, going right up to cotton and vegetables. A global break-down in supply chains due to the Russia-Ukraine stand-off has only added heft. Shenu Agarwal, president-agri and construction business at Escorts Kubota, said the industry is "experiencing favourable conditions for tractor demand".

The availability of credit, better rural income, and prediction of good monsoon helped. It was further buoyed by a jump in wheat prices because of increased export demand in April and May. He expects the trend to continue up to the festival months of September and October.

Business Standard 13th June 2022

M&M setting up 1st tractor plant in a decade

Investing ₹400 crore in Mohali project

SHALLY SETH MOHILE
Mumbai, 12 June

DRIVEN BY DEMAND

- Demand for tractors has seen an upswing for a couple of months now
- Mohali unit to have a capacity of 30,000 units in the first phase
- Tractors to start rolling out by the end of this year
- Facility to feed domestic demand

Mahindra & Mahindra (M&M) is setting up a greenfield tractor plant in Mohali. Fueled by a strong domestic demand, the expansion is the first in a decade by the world's largest tractor maker.

In 2012, the company had set up a facility at Zaheerabad in Telangana.

The demand for tractors in the world's largest market has seen a sharp 44 per cent jump year-on-year in the first two months of 2022-23, after some moderation in growth in 2021-22. M&M, which controls 40 per cent of the market, is leading the growth chart.

"We have grown faster than the industry in the last two months. To further our overall capacity, we are setting up a brand new greenfield plant in Punjab near Mohali. We are investing ₹400-crore in this plant and the construction has been going on in full swing. We should be getting our first tractor out of this plant by the end of this year," Hemant Sikka, president, tractor and farm equipment sector, M & M, told *Business Standard*.

The plant will be 35 kms from its existing ..unit of Swaraj Tractors. In the first phase, it will have a capacity to make 30,000 tractors per annum. Mahindra's current tractor plants in Maharashtra, Gujarat, Haryana, and Telangana are running at 90 per cent capacity utilisation rate, leaving no room for further expansion, Sikka said.

While the new facility will only feed the domestic demand, the units in Zaheerabad and Nagpur will continue to address the export demand.

The move to invest in a new unit comes at a time when the company's market share grew to 40 per cent in financial year 2021-22 (FY22) from 38.2 per cent YoY. Its domestic sales for FY22 declined 2 per cent to 337,052 units in the same period. M&M's tractor sales for the first two months of FY23 increased 50 per cent to 73,558 units YoY.

A spike in minimum support prices of crops, the forecast of a good monsoon, and other positive indicators for the rural economy boosted the company's tractor volumes in April and May much the same way it did for other manufacturers.

Sikka sounded confident of the road ahead for the tractor market in India. He sees the company's newly launched models like the YUVO to see a 100 per cent growth YoY in the coming months. He expects the tractor industry to end the financial year with a low single-digit growth. The forecast may be revised upwards if the monsoon turns out to be good, he said

Business Line 11th June 2022

Domestic tractor sales dip 8% sequentially in May

Exports robust; outlook positive for current fiscal

G BALACHANDAR
Chennai, June 10

Domestic tractor sales reported an 8 per cent decline in May 2022 on a sequential basis, though significantly higher than May 2021 that was hit by the second-wave. However, exports grew both month-on-month and on a year-on-year basis.

Total domestic tractor sales stood at 81,940 units in May against 89,201 units in April 2022 and 55,609 units in May 2021, according to data provided by the Tractor and Mechanisation Association.

While the tractor industry's performance in May was better than expected, industry analysts said its sales remained weak. The wheat export ban was also cited as a factor responsible for the slowdown.

"Strong tractor sales growth in April 2022 was driven by the expectation of good agricultural crop in the first half of this fiscal, assuming a normal monsoon, and an uptick in agricultural crop exports. But, an

increase in tractor prices and continuing inflationary trends, as well as an increase in interest rates raising the cost of financing have had a slight impact on sales in May. That said, domestic tractor sales in April-May 2022 were still higher by 19-20 per cent as compared with April-May 2021," said Anuj Sethi, Senior Director, Crisil Ratings.

Favourable factors

Given the current trend, tractor makers are presenting a positive outlook due to favourable factors such as a consistent increase in MSP, improved rabi crop procurement and timely arrival of monsoon. At the moment, OEMs expect single-digit growth for FY23.

"We expect this growth rate to moderate in the second half of the year, as tractors will turn costlier, with players further hiking prices to cover the higher input costs. Besides, funding will also become costlier as interest rates are also being increased again in June 2022. Overall, tractor sale volumes in FY23 are likely to be higher than those of FY22, but moderately lower than the all-time high of those in FY21. We expect volume growth to range from 0 per cent to 2-3 per cent in FY23 for the tractor industry," said Sethi.

Focal regions

On the upside, tractor exports grew to 11,582 units in May 2022 compared to 10,715 units in April 2022 and 7,704 units in May 2021.

The US, Europe and Asia are likely to remain focal regions for long-term tractor exports. Also, with India emerging as an export hub for relatively small tractors (30-75 horsepower or HP), and with major companies increasing focus on international markets with the launch of 90-120 HP tractors, sustainable export growth is expected over the next five years.

PRESS REPORTS
ON
COMPANY NEWS

The Economic Times 10th June 2022

Maruti Gears up for Pole Position in the SUV Race

Aims to be top SUV seller in 1-1/2 years by launching several models

Ketan Thakkar & Ashutosh R Shyam

Mumbai: Maruti Suzuki, the undisputed leader in India's passenger vehicle market, is aiming for the top spot in a segment where it is not among the top two: sport utility vehicles.

The company had a market share of nearly half to almost 97% in all the other segments of the passenger vehicle industry in fiscal 2022 ended March 31. But in SUVs, the fastest-growing segment where the rivals are putting their focus, its share was only 13%.

The Suzuki Motor subsidiary has set itself a target of grabbing the leadership position in SUVs over the next 12-18 months by launching several new products, said people in the know of its plans.

The company plans to launch a new version of the compact SUV Vitara Brezza, a Hyundai Creta rival, the Baleno Cross and the Jimny off-roader to expand its portfolio. It expects these vehicles to bring in incremental sales of as much as a quarter million units a year and more than double its market share in SUVs, and has told component suppliers and dealers to be prepared to handle the volumes, the people said.

An email sent to the company remained unanswered at press time Thursday.

At present, the race in the SUV space is between Hyundai Motor and Tata Motors. In the fiscal year ended March 31, 2022, Hyundai sold about 2,55,000 SUVs in India with a market share of 25%. Tata Motors sold 1,77,000 SUVs for a share of 17%. In monthly sales now, the competition is now more neck-to-neck. Mahindra & Mahindra had a 9% share (excluding the Bolero) in FY22, but that increased to 12% in April, driven by the XUV 700.

The PV market leader now seeks to disrupt the space. The all new Brezza is likely to be launched at the end of June, followed by the mid-size SUV to rival the Creta and the small crossover Baleno Cross, which is likely to be introduced at the Auto Expo early 2023. The Jimny (called YWD internally) is likely to come later. These products will help Maruti Suzuki fill all key gaps in its portfolio.

The company plans to double its SUV production to about 3,00,000 units in the ongoing fiscal year itself, the people said. That is more than double of the 1,34,000 SUVs it sold in fiscal 2022.

About two-thirds of the production this fiscal year will be the Brezza, while the rest will be the new mid-size SUV, jointly developed with Toyota, and a very small number of the S Cross.

Maruti Suzuki had an SUV market share of 29% in 2017, primarily due to the high popularity of the Brezza. It lost market share due to increased competition and the decision to exit the diesel segment, said Gaurav Vangaal, associate director at S&P Global Mobility.

"While CNG and hybrids will make up for diesel's absence, with the new range of SUVs, one does expect Maruti to grab the leadership position. This will further widen the gap between cars and SUVs," he said. "As seen in the past, Maruti will not only eat into rivals' share, but also expand the market."

An industry expert requesting anonymity said the attention of its key rivals was predominantly in SUVs.

SUV MARKET SHARE (FY22)

Hyundai	TaMo	Maruti	M&M
25%	17%	13%	9%*

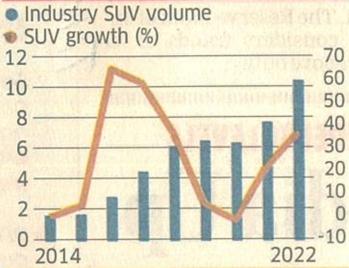
(*excluding Bolero)

Maruti Suzuki aims to strategically fill key gaps in its portfolio to grab leadership across all segments

It plans to launch a new version of the compact SUV Vitara Brezza, a Hyundai Creta rival, the Baleno Cross and the Jimny off-roader to expand its portfolio

It expects these vehicles to bring in incremental sales of as much as a quarter million units a year and more than double its market share in SUVs

SUV INDUSTRY VOLUME & GROWTH



FOR FULL REPORT, GO TO www.economictimes.com

Escorts may Put ₹400 crore into Capex This Fiscal Year

Sharmistha.M@timesgroup.com

New Delhi: Enthused by a pick-up in demand on the back of rise in economic activity, agri and construction equipment maker Escorts is looking to invest ₹350-400 crore in capital expenditure in the ongoing financial year.

Bharat Madan, group CFO, Escorts, told **ET** that outlook for all three business verticals – agri machinery, construction equipment and railways - is positive in the ongoing fiscal as recovery has set in the market.

The farm sector is seeing some positive tailwinds with tractor sales as higher cash-flow from healthy rabi crops made it easier for farmers to purchase farm equipment. At Escorts, tractors sales rose by more than a fifth to 15,343 units in the local market till May FY22, compared to 12,544 units sold in the year-ago period.

Tractor manufacturers expect the demand momentum to continue this fiscal. Escorts sees tractors sales gradually improving, despite low crop yields due to extreme heat conditions this harvest season, helped by better crop realisations and forecast of normal rainfall.

Outlook for all 3 business verticals is positive... commodity prices too seem to have peaked in May, says group CFO Bharat Madan

Industry estimates that the overall tractor market could grow 4-6% in FY23. Tractor industry volume had dropped by 6.4% to 8,42,000 units in FY22, after growing 26% in FY21.

"In the tractor industry, recovery has set in and volume-wise the outlook is positive this fiscal," said Madan, adding, "Commodity prices too seem to have peaked in May. Though, it will take 3-4 quarters to recover the increase in input costs due to lag effect."

In the construction equipment segment too, demand is expected to increase in healthy double digits in the ongoing financial year on the back of increased government spending on infrastructure projects, especially in rural areas. The industry estimates sales of construction equipment (domestic sales and exports) to grow 15-20% in this fiscal, compared with an 8% fall in the previous year. Even though exports grew 60.5% to 7,802 units in FY22, local sales fell 11.4% to 77,583 units.

Business Line 11th June 2022

Visteon plans aggressive expansion to achieve $500-m revenue by 2027

To double software headcount in India with 3 new centres

OUR BUREAU
Chennai, June 10

Visteon, US-headquartered global automotive cockpit electronic systems maker, plans an aggressive expansion in India to achieve revenues close to $500 million by 2027, up from under $200 million now.

To drive growth and realise its revenue target in the next 5 years, the company will be putting up a new unit at an investment of $20 million in the existing Chennai manufacturing campus to produce more than million units (per year) of display systems.

'First of its kind'

"Of the 15 manufacturing locations we have globally, only Portugal and Mexico produce (2 million units per annum combined) these display systems as of now. The new unit in Chennai will be the third unit globally and be the first of its kind for the Indian automotive market. It will start production by the middle of next year. Our expectation is the market will quickly absorb this capacity because of buyer shift towards feature-rich cars," said Sachin Lawande, President and CEO of $3 billion Visteon Corporation, during an interaction with select journalists.


Sachin Lawande, President & CEO, Visteon

Visteon is also establishing three new technical centres across Coimbatore, Thiruvananthapuram and Goa. These centres will double their present R&D headcount of under-2000 people (now spread across Chennai, Bengaluru and Pune) in the next few years. Globally, India accounts for half of the software workforce of Visteon, while in hardware and EVs, Indian strength accounts for one-third.

Aims at localising

The growth plan will also see the company investing in localising and developing technologies and products more in India, leveraging the local supply base to make the products more cost-effective starting with displays. "Presently, about 85 per cent of the materials are imported and we aim at localisation to bring this to 50 per cent," he added.

The company, which has been in India for more than two decades, is also contemplating establishing a new factory, its second unit, in India to support its five-year growth plan. It is looking at a suitable site for the same.

The multi-pronged expansion is in response to the bright growth prospects the company sees in the Indian passenger vehicle market as also the evolving buyer patterns – growing appetite among the car buyers, including the first time buyers, to purchase higher-priced cars in the range of ₹10-30 lakh, which is a big sweet spot for Visteon as it can leverage some of the technologies and products it is building and bring them to India.

"I am very optimistic about spending patterns evolving in India. Even the first-time car buyers in the country are buying a car of ₹10 lakh, which was not the case a few years ago, he said.

Business Standard 11th June 2022

Firm eyes top spot in exports of 2-wheelers

SHALLY SETH MOHILE
Akurdi, 10 June

Bajaj Auto is looking at a leadership position with regard to exports of e-two wheelers from India much the same way it has done for petrol motorcycles. India's largest exporter of motorcycles sells its models in over 70 nations.

Over the next couple of years, Chetak Technology, its wholly-owned subsidiary, will be building a portfolio of electric two-wheelers.

Rakesh Sharma, executive director, Bajaj Auto, has been spearheading Bajaj Auto into the overseas markets. He is now busy charting a similar growth trajectory for Chetak Technology.

"When we are deciding on a new product, it's like which all markets we can sell. It's always a global play. It will be the same for EVs (electric vehicles)," said Sharma. There are enquiries for the model from Kenya, Mexico, Argentina, Asean nations, Nepal and Bangladesh, among others, he said. Chetak is looking to create a portfolio of e-two wheeler models by addressing various needs and catering to a vivid customer profile, Sharma said in an interaction.

The Chetak plant will also be a key export hub for KTM and Husqvarna scooters as well as motorcycles in the next two years.

On Friday, the company inaugurated its newly-built EV manufacturing plant at Pune's Akurdi on the birth anniversary of the late Rahul Bajaj.

This inauguration is a homecoming in many ways because Akurdi is where the iconic Chetak scooter was born in the 1970s. It went on to redefine mobility for generations in India. "We have always joked that Chetak was his favourite son; I would like to assume that he is very happy, the way his birthday is celebrated," said Rajiv Bajaj, managing director, Bajaj Auto, after inaugurating its only EV factory.

Set up with an investment of ₹300 crore, the plant will get the benefit of the government's production-linked incentive (PLI) scheme.

Bajaj Auto will invest over ₹2,000 crore over the next 2-3 years, said Sharma.

He added that the semiconductor shortage is here to stay and he doesn't see the situation getting fully resolved for another two years. In order to improve supplies, Bajaj was relying on a few large suppliers. But now, it is sourced from multiple suppliers. This should help the firm in ramping up at a faster pace.

Sharma said Chetak Technology is looking at multiple collaborations, including taking an equity stake in a start-up or an established firm to further its EV ambitions.

The Economic Times 14th June 2022

M&M Plans to Bring EV Arm Under its Roof for Improving Value Chain Efficiency

Automaker seeks NCLT approval for merger of Mahindra Electric Mobility with Mahindra & Mahindra

Maulik Vyas & Ketan Thakkar

Mumbai: Mahindra & Mahindra, India's leading utility vehiclemaker is seeking approval from National Company Law Tribunal for a merger of Mahindra Electric Mobility to itself – i.e. Mahindra & Mahindra.

Seeking the tribunal's approval for the merger – M&M explained that the value chain required for end-to-end EV (Electric Vehicles) development, manufacturing and sales is currently spread between M&M and MEML and it needs to be consolidated.

"MEML has expertise in EV technology while M&M has expertise in automotive design, engineering and manufacturing, sourcing network and sales, marketing & service channels," stressed the company through its lawyers. "M&M also envisages significant investments in the EV business to scale up the business and develop a robust EV product pipeline for which the proposed consolidation will be critical. Further, M&M's better credit rating will also provide significant savings in finance costs for funding the investment," the company told the tribunal.

According to the group, the proposed merger will bring this entire value chain under one umbrella driving a sharper focus for smooth and efficient management of the value chain requirements with the scale and agility required to meet the increasing focus on EVs.

END-TO-END DEVELOPMENT

M&M says value chain needed for end-to-end EV development, and manufacturing and sales are now spread between the two entities

The company also informed the tribunal that as of October 31, 2021, Mahindra Electric Mobility had about 846 unsecured creditors with a collective value of ₹485 crore and Mahindra & Mahindra has 43,596 unsecured creditors with a combined value of ₹16,535 crore.

On June 10, the division bench, preceded by Justice PN Deshmukh and Shyam Babu Gautam directed M&M to hold a shareholders meeting on August 19, 2022, to seek their approval.

The tribunal has appointed the group's chairman Anand Mahindra as chairperson for the meeting and has said that failing him, Anish Shah, managing director of Mahindra & Mahindra or Rajesh Jejurikar, executive director of Auto & Farm Sector division can chair the meeting.

Business Line 10th June 2022

Rane Group plans ₹800-cr capex

Bets on revival in businesses and surge in exports

G BALACHANDAR

Chennai, June 9

Rane Group plans a capex of ₹800 crore over the next three years as the leading auto component house expects strong growth in the near future, supported by a revival in many businesses and a surge in export orders.

The company ended FY22 with the highest-ever revenue of ₹5,440 crore, a 31 per cent increase, compared to ₹4,140 crore in FY21. But FY22 revenue growth was partially due to low base and inflationary effect (as a result of commodity price increases).

Good year for industry

"FY22 was a good year for the industry and our group. Passenger car and commercial vehicle (CV) segments did well. Despite the semiconductor shortages, the PV segment managed a good year, led by a surge in SUV volumes. CV has come back strongly after 2-3 years of slow down, supported by infrastructure spending by the government and better

L Ganesh, Chairman and MD, Rane Holdings BIJOY GHOSH

fleet utilisation levels, while the replacement cycle also kicked in. Our international business also did well as exports grew significantly. This was the result of efforts we did in the past 3-4 years. Our plan to grow the export share in revenue to 25 per cent plus is on track (22 per cent in FY22). For the next 2-3 years, our export orders look good," L Ganesh, Chairman of Rane Group, told *BusinessLine*.

After going through a tough phase in FY20 and FY21, the Group has returned to a double-digit growth curve. It maintained double-digit growth in topline for five years till FY19. A couple of issues pulled down its performance in the past two years. It had warranty problems in its NSK joint venture. But, it believes most of the issues are now over. US operations have started to show improvement.

Export strategy

While the Group has seen a revival in the aluminium castings business, the revamped export strategy has yielded results. Revival of CV business is a big positive for the company as value-add per vehicle is much more than other categories. Despite several challenges, a healthy order pipeline for PVs, in particular SUVs, is also a good sign for growth.

"We are targeting to grow at a CAGR of 10-12 per cent for the next five years," said Ganesh.

With a surge in domestic as well export orders, the company is looking to expand capacities across businesses and has estimated an overall capex of about ₹800 crore for the next three years.

Among others, steering and seatbelt and airbags businesses may incur a capex of ₹300 crore, friction material business is expected to spend about ₹120 crore and aluminium castings business is to incur about ₹150 crore capex. Engine Valves' business is to spend ₹80-90 crore.

The Economics Times 7th June 2022

INVESTMENT BY CHINESE CO IN DOUBT

GM India may Drop Plan to Sell Plant to Great Wall Motor

Term sheet signed between the cos expires on June 30

Ketan.Thakkar@timesgroup.com

Mumbai: After waiting more than two years to obtain government approvals for selling its plant to Chinese carmaker Great Wall Motor, General Motors has started exploring plan B.

The approvals are stuck because of strict FDI screening by the government of India.

According to several people, the term sheet agreement for the sale of the Talegaon plant between General Motors India and Great Wall Motor will expire on June 30 and is unlikely to be extended.

Great Wall Motor, which was exploring a plan B of its own of importing models through the completely built unit, has dropped that plan, added people, indicating a proposed billion dollars investment by China's largest SUV maker in India, too may be withdrawn.

In Slow Lane

Great Wall had plans to import completely built units, but dropped them

Chinese carmaker's plan to invest $1 billion in India too may be withdrawn

Term sheet between GM & Great Wall Motors extended twice over last two years

GM claims workers have been legally settled

Workers continue to fight a legal battle

Business Line 17th June 2022

MG Motor launches metaverse platform 'MGverse'

OUR BUREAU

New Delhi, June 6

MG Motor on Monday became the first auto original equipment manufacturer (OEM) in India, and one of the very few brands across industries, to announce its vision of MGverse, a metaverse platform.

The platform aims to provide an immersive experience to its customers and stakeholders through multiple arenas, and will also combine multiple virtual spaces into a single platform, the company said in a statement.

With this, the brand aims to bring MG fans, customers, partners and employees together to work, play, engage, collaborate, co-create, socialise and shop. It will enable users to transcend beyond the restrictions of screens and distance into a future where everyone can be present together to create new possibilities and experience new things, it said.

Digital tech

"Digital technologies have advanced faster than any other innovation in human history. MGverse is a step forward where users can interact with

Gaurav Gupta, Chief Commercial Officer, MG Motor India

visualised data, just like in the real world. MGverse is our vision for creating our Metaverse, in which we and our partners will constantly explore, innovate, improvise, and develop new solutions to consistently enhance the customer experience," Gaurav Gupta, Chief Commercial Officer, MG Motor India, said.

The platform will be accessible on mobile as well as other web browsers to engage GenZ and GenAlpha. MG intends to make similar experiences available for VR (virtual reality) headsets, allowing a more captivating and realistic experience at home and in dealerships.

The platform will be executed in phases, with the first phase being implemented during the coming festive season, the company added.

Business Line 15th June 2022

Competition charge to match TaMo's L1 bid price

SWARAJ BAGGONKAR

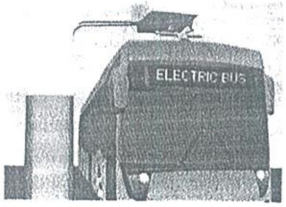
Mumbai, June 14

Following a sweep by Tata Motors of the largest electric bus tender floated by state-backed CESL, some competing firms have matched the L1 bid, while others have raised questions about the aggressiveness of the quote.

Two of the bidders have now matched the prices quoted by Tata Motors, which had emerged the L1 bidder for all the five categories of the tender floated by Convergence Energy Services for 5,450 electric buses valued at over ₹5,000 crore.

VE Commercial Vehicles, the joint venture between Volvo and Eicher, and Olectra Greentech-backed Evey Trans, have matched Tata Motors price and stand to get a share of the total order.

Vinod Aggarwal, Managing Director and CEO, VE Commercial Vehicles (VECV), said, "The EV business is of strategic importance to us. There are areas where we think we can save (on costs). We can run the buses for a greater number of kilo-



metres, increase the life of the battery and benefit from the PLI scheme on electro mobility."

Ball in STU court

CESL Managing Director Mahua Acharya said, "VECV and Olectra have agreed to match the L1 prices. Unlike other tenders, this is backed by real demand from STUs (State transport undertakings). I am waiting for cities to tell me that they have approvals from their respective authorities and are good to go on the price."

CESL declared the lowest discovered price for a 12-metre bus at ₹43.49/km, whereas for a 9-metre bus it was ₹39.21/km. The same for a diesel-powered bus is ₹75/km. The contract term is for 12 years, with assured 10-lakh km per bus. However, Hinduja Group flagship Ashok Leyland has decided to stay out of the tender over margin concerns. Speaking to analysts Executive Chairman Dheeraj Hinduja said, "We have been operating electric buses for three years. We understand the operational costs and the right pricing model for general condition contracts. Since tenders are long-term agreements, we want to make sure that they will be positively adding margins for us. Some of these tenders are going on an aggressive basis. We are not participating in a price war."

But Tata Motors claims it can run the operations profitably at the rates quoted. Last month the company even incorporated a wholly-owned subsidiary TML Smart City Mobility Solutions for the urban mass mobility business under an own-operate-maintain model.

Girish Wagh, Executive Director, Tata Motors, said, "We have a team of almost 100 who look at each cost element. We looked at optimising each cost element, bringing in efficiency before being able to come to the most efficient kind of number, which we've quoted (in the tender). We are quite confident of not just delivering on this, but also to making money at these rates."

Good chance for TaMo

Independent Analyst Mahantesh Sabarad said, "CESL has long-term plans that envisage procuring 50,000 buses over 10 years. By bidding low prices, Tata Motors stands a good chance to grab a major share of those 50,000 buses providing a solid base to absorb associated fixed costs. High volumes ensure they cross breakeven volumes comfortably. That's one reason why they could be profitable."

VECV, Ashok Leyland, Evey Trans were the bidding companies for the prized CESL tender in addition to Tata Motors. Mahindra & Mahindra, Daimler India Commercial Vehicles and PMI Electro Mobility did not participate in the tender.

Tesla India exec quits after carmaker holds entry plan

Manuj Khurana had played a key role in lobbying with the govt to reduce import tax

REUTERS

New Delhi, June 14

A key executive who was leading Tesla's lobbying effort in India has resigned, weeks after the US carmaker put on hold plans to sell electric cars in the country, according to sources.

Manuj Khurana, policy and business development executive at Tesla in India, was hired in March 2021 and played a key role in forming a domestic market-entry plan for the carmaker in the country. He lobbied with the Centre for more than a year to slash the import tax on electric cars to 40 per cent from as high as 100 per cent, a move Tesla said would allow it to test the market with imports from its production hubs like China before investing in a factory. Neither Khurana, the company's first employee in India, nor Tesla responded to requests for comment. An email sent to Khurana generated an automated reply saying the address was no longer valid and future emails would not be received.

'As good as dead'

"Tesla's plans to launch in India right now are as good as dead," said one of the sources wishing to remain anonymous, because the resignation had not yet been made public.

Tesla Chief Executive Elon Musk said on Twitter last month that the company would not set up manufacturing in any location where it was not allowed first to sell and service cars. The carmaker has also shifted its focus to other markets in Southeast Asia, like nickel-rich Indonesia, where it is looking at a potential battery-related investment, as well as Thailand, where it recently registered a local unit to sell cars.

Business Line 15th June 2022

PRESS REPORTS
ON
COMMERCIAL VEHICLE

Business Line 10th June 2022

Daimler India eyes doubling CV output to 72,000 units per year

To de-bottleneck production lines with minimal capital expenditure

SWARAJ BAGGONKAR
Mumbai, June 9

Riding on robust demand and a strong order book, Daimler India Commercial Vehicles (DICV), the biggest European truck brand in India, will double its production capacity, launch new products and grow its retail reach by a quarter as the company looks to cash in on the demand upswing.

Demand for medium and heavy trucks from segments like construction, mining and e-commerce have shown strong growth in the last many months causing commercial vehicle makers to relook at their production capacities to capitalise on the growth curve.

Capacity at 36,000 units

Speaking to *BusinessLine*, Satyakam Arya, Managing Director and CEO, DICV, said, "We are looking at adding more capacity to prepare ourselves for 2022, and beyond because we

Satyakam Arya, MD and CEO, DICV

believe the market will continue to grow. We are ramping up our supply chain further. Our current production capacity is 36,000 units per annum and we are very close to fulfilling that. Our next step is to reach 72,000 units per annum."

This freshly created capacity which will not entail any major capital expenditure as it will be done through a process of debottlenecking of the production lines, will get added in the October-December quarter of this year. "Inherently we have the capacity, (therefore) we have to just add some minor equipment to debottlenecking. We will add manpower and shift to two-shift mode for both of our assembly lines," Arya added.

As per data shared by DICV clocked sales of 14,222units in 2021, which was a growth of 48 percent compared with 9,624 units sold in 2020. An all-time high of exports of 9,000 units last year also pushed DICV to enhance its production capacity.

While 2020 was severely hit by lockdown and Covid-19-induced weakness in demand, 2021 has shown a recovery that was faster than anticipated, according to market watchers.

Sales of MHCV doubled

Sales of medium and heavy commercial vehicles (MHCV) doubled to 2,00,000 units in 2021 from 1,00,000 in 2020. This year MHCV sales are expected to go past the pre-Covid 2019 sales of 2,50,000 units.

"2022 is continuing with the same growth trend. The base is bigger so percentage growth will be lower. We expect the industry to finish somewhere around 3,00,000–3,20,000 this year. However, it will take 2023 or 2024 to reach the all-time high of 3,80,000 in 2018," Arya added.

To keep the demand momentum high DICV will launch a series of new products this year as well as improve its sales network. During 2020, the company had announced an investment of ₹2,277 crore for new products and technology.

"We operate in the 10-55 tonne category and we have products at almost every tonnage segment. We will continue to launch application-focused products," Arya added.

For sales network expansion, the company is preparing to increase the size by more than 25 percent this year compared to 2021. DICV aims at having a sales network of 300-350 this year up from 275 last year.

Ashok Leyland launches 'industry-first' 8-wheel truck

OUR BUREAU
Chennai, June 2

Truck and bus maker Ashok Leyland has launched what it calls an "industry-first" eight-wheel truck — AVTR 2620.

A company statement says it is the first and only manufacturer in the country for a full range of trucks based on the lift axle technology, from GVW of 25.5 to 47.5T.

The new truck can be operated as a 25.5T (6x2) type with the lift axle down (offering payload closer to a regular 6x2 MAV truck), and as a 4x2 truck (18.5T GVW) with the lift axle up (lower fuel and operating cost similar to 4x2) for a light load or partial load or empty return trip. "AVTR 2620 with its unique lift axle configuration offers higher total cost of ownership (TCO) advantage to our customers operating in e-commerce, parcel and tanker," said Sanjeev Kumar, Head-M&HCV, Ashok Leyland.

It is equipped with Ashok Leyland's 200HP engine with iGen6 technology, which promises better fluid efficiency and a loading span of 24-32 ft. It will be available in the cowl and three 3 cabin options: N Cab, U cab, and M cab. It comes bundled with digital solutions like i-Alert (advanced telematics), and remote diagnostics supported by 24x7 customer assistance, it said.

Business Line
3rd June 2022

MISCELLANEOUS

Business Line 1st June 2022

Automakers may not meet Oct 1 deadline

Industry feels defining regulatory change requires proper testing, validation

SWARAJ BAGGONKAR

Mumbai, May 31

The chances of cars sporting a minimum of six mandatory airbags by October 1 this year looks bleak, as carmakers await a final order from the Centre.

As per the draft notification issued in mid-January by the Ministry of Road Transport and Highways (MoRTH), all M1 category vehicles (motor vehicle comprising not more than eight seats) manufactured should have at least six airbags fitted in defined areas. This decision is one of the most defining regulatory changes after the jump to BS-VI (Bharat Stage VI) from BS-IV in 2020. The present regulations mandate carmakers to install two airbags (one for the driver and the other for the driver-side passengers) only.

Tata Punch being subjected to a crash test GLOBAL NCAP

Time for testing, validation

Carmakers believe that the notification is unlikely to be implemented given the sheer volume of vehicles that will require re-engineering to accommodate extra airbags. In addition, time is needed for testing and validation. More airbags will also mean additional semiconductor requirements, as they are critical for their deployment.

CV Raman, Chief Technology Officer, Maruti Suzuki India, said, "You should have a large base of manufacturing and localisation of airbags. This is followed by integration and engineering to accommodate them in the vehicles. And evaluation is the third important thing since we have a wide range of products and variants."

Maruti Suzuki is India's largest carmaker with 15 models having about 60 variants. Additional airbags will cost around ₹15,000-18,000, in addition to cost of re-engineering like changes made to the seat's design or to the headliner above the doors.

Rajesh Jejurikar, Executive Director, M&M, said, "There is no intent statement on this (from the government). We understand through the dialogues with SIAM that it is very unlikely that it will happen in October. Some of our models will get impacted. All our new generation models are equipped with six airbags. We have taken all the action to be ready but we don't think the notification is going to come out with October 2022 as the date."

SIAM in talks

The Society of Indian Automobile Manufacturers (SIAM), auto industry's apex lobby body, has been in dialogue with the MoRTH for finding alternatives. However, Gadkari, who has been the biggest advocate of this movement, has not shown any inclination of making any changes to the deadline so far. "There is a dialogue happening between SIAM and the ministry. While intention is there, there is an understanding that all manufacturers in all their models, to be able to implement this by October, is not feasible and hence that conversation is still on to arrive at what we can do in a phased manner," said another executive from M&M.

BNCAP adoption

A senior executive from one of India's biggest brands said the government could lay down protocols for adoption of Bharat New Car Assessment Programme (BNCAP). The BNCAP will see star rating system used for defining the safety standards of a vehicle.

"The industry is asking for BNCAP and the government is now accepting and the protocol is being laid and in the next six months, we should be able to have a protocol and it should be able to have a structure for that," said the executive.