


**ACMA**  
(Western Region)



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

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



(Western Region)

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**PRESS REPORTS ON AUTOMOTIVE INDUSTRY****CONTENTS****AUTOMOTIVE INDUSTRY****Page No.**

❖ Toyota Kirloskar drives in first mass-market hybrid car in India .....	01
❖ Retail auto sales grow 27% in June, but lag pre-covid levels .....	02
❖ PM opens Bosch's smart campus in Bengaluru .....	02
❖ Right to Repair : Soon, consumers & third-party vendors may fix products .....	03
❖ GM, great wall motor fail to conclude India plant deal .....	03
❖ With carmakers' EV focus, ICE models may lose their cool quotient .....	04
❖ Passenger vehicle sales zoom in June, but CVs still in slow lane .....	05
❖ Demand for diesel-powered cars on the rise as chip crunch eases .....	05

**ELECTRIC VEHICLES**

❖ British International investment to invest ₹1,925 cr in M&M's new EV arm .....	06
❖ Hindustan Motors, European firm JV to launch electric two-wheelers by 2023 .....	06
❖ EV sales rebound; June registrations up 10% .....	07
❖ Ola electric unveils lithium-ion cell; mass production from 2023 .....	07
❖ Murugappa group to begin new EV innings in August .....	08
❖ South Korean battery maker to power up M&M's first electric SUV .....	08
❖ EV sales vroom 635% in first quarter of FY23 .....	09
❖ Tesla's China shipments soar to a record as plant goes full blast .....	09

**COMPANY NEWS**

❖ MG Motor plans to raise funds in big India push .....	10
❖ ZFs Eco Tronic Systems for CVs to improve fleet efficiency .....	10
❖ SUVs power TaMo past Maruti in UV space .....	11
❖ M&M eyes aggressive growth in farm equipment biz, to up domestic share .....	11
❖ Merc in top gear, sees record June qtr sales .....	12
❖ Ashok Leyland appoints Ganesh Mani as President .....	12
❖ With new Tucson, Hyundai to target Creta, Verna Owners .....	13
❖ Wheels India bullish on overseas markets .....	13
❖ Maruti looks to regain market share with new models .....	14
❖ TVS Motor unveils new variant of Radeon .....	14
❖ Piaggio India looks to take on rival Tata Motor's Ace electric .....	15
❖ TaMo hires McKinsey to help put CVs on road to better profits .....	16

**GOVERNMENT POLICY**

❖ Government hopes to have Labour codes in place soon .....	17
❖ Govt may soon look at making safety ratings compulsory for cars .....	18
❖ State unveils new EV policy .....	18

# PRESS REPORTS ON AUTOMOTIVE INDUSTRY

Business Standard 2<sup>nd</sup> July 2022

## Toyota Kirloskar drives in first mass-market hybrid car in India

### Japanese carmakers taking the hybrid route for cleaner mobility in India

ARINDAM MAJUMDER  
New Delhi, 1 July

In tow with Japanese carmakers' preference for hybrid vehicles as part of their anti-pollution drive, Toyota Kirloskar Motor on Friday unveiled the Urban Cruiser Hyryder SUV, its first mass-market hybrid car in India.

"We have three challenges — pollution, crude oil import, which is leading to a trade deficit, and increasing fuel charges. To tackle them, self-charging string hybrid electric vehicles are a practical solution for the country," said Venugopal P B, vice-president, Toyota Kirloskar Motor.

Japanese automakers' stress on hybrids stands distinct from the government's heavy push for full electric vehicles. Auto majors such as Maruti Suzuki, Toyota Kirloskar Motor, and Honda Cars are pushing the government for incentives for hybrid vehicles similar to those that battery electric vehicles (BEV) get.

The primary difference between hybrid and electric cars is that the hybrid car derives some of its power from a conventional gasoline engine with an electric motor. An EV gets all its power from electrical sources and has no emission.

The main reason for taking the hybrid path is concern over the availability of infrastructure and the high-end cost of electric vehicles, for which the carmakers say consumers may not be ready yet.

Toyota Kirloskar's car, to be



Toyota Kirloskar Motor Managing Director Masakazu Yoshimura and Vice-Chairman Vikram Kirloskar at the unveiling of the Toyota Urban Cruiser Hyryder, in New Delhi on Friday

PHOTO: PTI

manufactured at a Toyota plant in Karnataka, will be sold in India and other global markets, including Africa.

Suzuki will take the SUV from Toyota's operation in southern India and sell it under its own label.

While self-charging hybrid vehicles of Toyota have been launched before, this is the first time the company is entering the mass electrification segment. Venugopal said the Hyryder gave 40-60 per cent more fuel efficiency than its traditional engine counterparts.

When asked about a full elec-

tric vehicle from the Toyota stable in the country, Venugopal said India was a diverse country and would require varied solutions.

"Globally Toyota has every technology for cleaner mobility. But our product line-up will reflect how best we can match the government's directions, infrastructure, and customer demand," he said.

Honda, which launched a hybrid version of its popular sedan City, has said the first phase of the clean mobility journey for the firm in India will be through hybrid.

"Hybrid is the most reachable

and, perhaps, the most practical model. We need to observe the reaction of the market and competitors and plan the future," he said, adding that the fuel efficiency of the hybrid variant was 40-45 per cent better.

R C Bhargava, chairman of Maruti Suzuki, the country's largest carmaker, recently said vehicles powered by hybrid technology, natural gas, and biofuels were environmentally more beneficial than their electric counterparts, considering the fact India generated about 75 per cent of its electricity from coal, an unclean fuel.

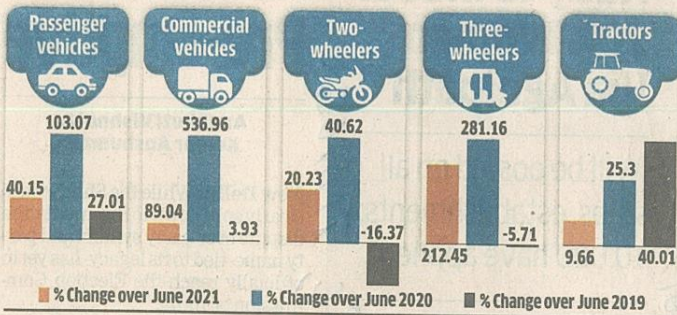
# Retail Auto Sales Grow 27% in June, But Lag Pre-Covid Levels

About 1,550,855 vehicles sold last month; two-wheeler demand pickup remains slow

Our Bureau

## In Fast Lane

Note: Change in unit sales  
Source: FADA



**New Delhi:** Retail sales of automobiles increased in strong double digits last month, indicating a revival in demand across sectors which were hit by the pandemic the past two years.

According to data available with vehicle retailers' body Federation of Automobile Dealers Association (FADA), 1,550,855 vehicles were retailed in June, 27% more compared with the 1,219,657 units sold a year earlier. Sales, however, were around 9% lower compared with the pre-Covid June 2019. The federation has compiled the numbers from the vehicle registration data available on the road transport and highways ministry's Vahan dashboard.

Though the numbers are incomplete as some regional transport offices are still not linked to the Vahan portal, these are seen as a good proxy for the trend in the automobile retail market as manufacturers only disclose their dispatches from factories.

Apart from passenger vehicles and tractors—which were already above pre-Covid levels for the past few months and grew 27% and 40%, respectively, in June from three years

earlier—commercial vehicle sales for the first time topped pre-Covid numbers with an expansion of 4% over June 2019. FADA president Vinesh Gulati said this indicated that a "recovery is slowly creeping in for this segment (CVs)".

While three-wheeler sales shrank at a slower pace of 6% compared with June 2019, it is the two-wheeler segment which still remains the biggest cause of concern and is not picking up as per expectations, Gulati said. Two-wheeler retail sales increased by

a fifth from a year earlier to 1,119,096 units in June, but were down 16% from the same month before Covid in 2019.

"Poor market sentiment, especially in rural India, high cost of ownership, inflationary pressure and June generally being a lean month due to rains kept two-wheeler sales at a low speed," he said.

Average inventory of two-wheelers now stands at 20-23 days.

Even as demand remained strong in the passenger vehicle segment, Gulati cautioned about the risk

from inflationary pressures due to the Russia-Ukraine war. The Reserve Bank of India too has said high inflation was a major cause of concern and has increased interest rates. In the past few months, prices of almost all essential items have increased, putting pressure on household budgets, reducing disposable incomes that could be spent on buying passenger cars.

"Additionally, high fuel prices have had a spillover effect on transportation and made it expensive. This will have a negative effect on entry-level passenger vehicles as well as the two-wheeler segment which are generally dominated by first-time buyers," said Gulati.

Average inventory for passenger vehicles currently ranges 15-20 days, as against the norm of 30-45 days. While availability of semiconductors has improved, as reflected in wholesale numbers, the waiting period, especially in compact SUV and SUV segments, continues to remain high. The FADA said newly launched vehicles were seeing robust bookings, indicating healthy demand.

If rural India stabilises, auto retail is expected to be strong in the upcoming festive season.

## Business Line 1<sup>st</sup> July 2022

# PM opens Bosch's smart campus in Bengaluru

ISHA RAUTEA

Bengaluru, June 30

Prime Minister Narendra Modi virtually inaugurated Bosch's new campus in Bengaluru, built at a cost of \$100 million. The 76-acre Spark.NXT campus features multiple smart solutions based on sustainability, security, and user experience for associates, visitors, and facility management.

"The smart campus will take a lead in the development of futuristic products and solutions for India and for the world," said the Prime Minister.

The auto ancillaries major with a workforce of 31,500 and ₹22,000 crore in annual revenues, is celebrating its centenary in India. It has 16 manufacturing sites, and seven development and application centres in the country.

Soumitra Bhattacharya, Managing Director, Bosch Ltd and president of the Bosch

Group, India, said, "We started our Make in India and Make in Karnataka manufacturing journey 69 years ago. Today, with our new Spark.NXT campus, the company continues to invest in smart and sustainable solutions that are 'Invented for life'.

Filiz Albrecht, board member of management and director of Industrial Relations, Robert Bosch GmbH, said, "Over the last five years, Bosch India has invested one billion euros in upscaling and will invest another billion euros in the next five years in various training programmes for artificial intelligence, software, electromobility, etc," she added.

"We are happy to have India's largest smart campus here. Bengaluru, has been a technology hub and houses the largest number of R&D centres across the globe. This campus is another feather to its cap," said Chief Minister Basavaraj Bommai.



Bosch employees at the inauguration of the Bosch's campus in Bengaluru, on Thursday PTI

# 'Right to Repair': Soon, consumers & third-party vendors may fix products

Automobiles, cell phones, farming equipment to be covered under policy

SANJEEB MUKHERJEE & AGENCIES  
New Delhi, 14 July

The government will make it mandatory for car, cell phone and other consumer goods companies to share product details so that consumers can make repair themselves or employ third parties.

The Department of Consumer Affairs, in a statement on Thursday, said it has set up a committee chaired by Nidhi Khare, an additional secretary, to develop a framework on 'Right to Repair'. The committee first met on Wednesday to identify sectors for the right.

The sectors identified include farming equipment, mobile phones/ tablets, consumer durables, and automobiles/automobile equipment. According to the 'Right to Repair' concept, customers must own a product completely after purchase. "...consumers should be

able to repair and modify the product with ease and at reasonable cost, without being captive to the whims of manufacturers for repairs," according to the statement.

The framework proposes to empower consumers, harmonise trade between the original equipment manufacturers and the third-party buyers and sellers, and reduce e-waste, the statement said.

The rationale behind the 'Right to Repair' is that when customers buy a product, it is inherent that they must own it completely "for which the consumers should be able to repair and modify the product with ease and at reasonable cost, without being captive to the whims of manufacturers for repairs", according to the statement.

However, manufacturers usually retain proprietary control over spare parts, including their design, and the government feels that this kind of monopoly on repair processes infringes

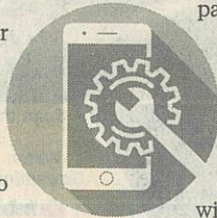
the customer's "right to choose".

"Manufacturers are encouraging a culture of 'planned obsolescence'. This is a system whereby the design of any gadget is such that it lasts a particular time only and after that particular period it has to be mandatorily replaced. When contracts fail to cede full control to the buyer—the legal right of owners are damaged," the committee in its first meeting said.

A survey by LocalCircles, a community network, found earlier 43 per cent of the households in India have three or more devices or gadgets that are less than five-year old and need service or repair.

The right to repair has been recognised in many countries across the globe, including the US, UK and European Union.

In the US, the Federal Trade Commission has directed manufacturers to remedy unfair anti-competitive practices and asked them to make sure that consumers can make repairs, either themselves or by a third-party agency.



## Business Line 2<sup>nd</sup> July 2022

# GM, Great Wall Motor fail to conclude India plant deal

Deal called off after GM failed to secure regulatory nod from the government

OUR BUREAU

Mumbai, July 1

US-based General Motors and China's Great Wall Motor have failed to conclude the deal for the former's Pune-based plant following the expiry of the term sheet on June 30.

The Chinese SUV maker reportedly planned to purchase the GM plant for \$300 million which would have become the base for its proposed India operations. The deal, however, got stuck in pending regulatory approvals.

General Motors said it will continue to search for a buyer for the plant which can even host companies not engaged in the automotive space.

"We have been unable to obtain the required approvals within the time frame of the deal. The term sheet for the sale



of the Talegaon site has previously been extended. Our strategy in India remains unchanged and we will now explore further options for the sale of the site," a spokesperson of General Motors said.

### Crackdown on China Inc

The Indian government had put curbs on Chinese investment following a bloody standoff with China as well as to avert hostile takeovers of Indian firms. Great Wall Motor joins the list of Chinese automobile companies who have found it tough to enter the Indian market. Changan Auto-

mobile and Haima are the other brands.

General Motors stopped manufacturing cars in India in 2017 after incurring losses in most of the years in the country. It had sold the older of its two plants, located in Gujarat, to SAIC, which currently makes SUVs there under the British brand MG Motor.

While new Chinese entrants have faced a roadblock in India, other Chinese automotive companies such as SAIC, Beiqi Foton and BYD have entered and expanded in India, including through partnerships. Foton has an alliance with Haryana-based PMI Electro, while SIAC and BYD sell cars directly through a subsidiary.

In addition to General Motors, in the recent years, India has witnessed the exit of a number of globally renowned brands such as Ford, Fiat, Harley-Davidson (later joined hands with Hero MotorCorp), Datsun, UM Motorcycles and Cleveland Cyclewerks.

# With carmakers' EV focus, ICE models may lose their cool quotient

Traditional cars could lose the fight for development dollars, say experts

**BLOOMBERG**

July 8

Automakers have announced a whopping \$526 billion collective investment in electric vehicles through 2026, more than double the amount they mapped out over a similar forward time frame a couple years ago.

Since the industry isn't doubling its total capital spending, all that investment in EVs will come at the expense of development dollars for new and redesigned internal combustion engine vehicles.

Makes sense, right? The hot growth is in EVs. But hang on. General Motors has said it aspires to go all-electric by 2035, and other companies are saying 2040 or later. That means consumers will be able to buy a brand new ICE vehicles for another 15 or 20 years.

## Stale sets of wheels

If models running on fuel will be available that far into the future, but most of the investment is going into EVs, auto dealers will be selling some very stale sets of wheels in the coming years. What will those



Slowing demand for gas guzzlers has plunged automobile markets worldwide into a decline, led by a historic drop in China **BLOOMBERG**

cars look like? For starters, automakers will not be investing in sprucing up their powertrains. Engines and transmissions are going to get awfully long in the tooth, since automakers can now see a point at which they'll be phasing them out altogether.

Changes to powertrains will be done for reasons of efficiency and to meet tougher emissions rules, not to make cars faster or smoother.

Styling also could take a back seat. As carmakers watch sales of their combustion models decline, they're more likely to tweak on the margins, rather than go through the rigmarole of complete redesigns. Mark Wakefield, who runs AlixPartners's auto industry

practice, said some vehicles could get the kind of freshening that costs \$100 million or so. All-new models tend to cost \$1 billion or more.

BofA Global Research recently forecast in its closely watched Car Wars report that by 2026, the US market will have about 135 different EVs for sale, and an equal number of internal combustion vehicles.

## Interim pain

If automakers spend less on their traditional models, those cars could eventually become more of a bargain hunter's option for consumers who can't afford EVs, or don't have plentiful access to charging infrastructure.

This could also mean some

interim pain both for automakers and their suppliers, who will start to struggle as sales volumes drop. AlixPartners estimates it could cost the big manufacturers and their Tier 1 suppliers, \$70 billion between now and 2030 to either fund new sources of internal combustion vehicle parts, or help vendors survive the transition.

As for profits, this too will get tricky. As EV volumes rise, margins should get better. Tesla has certainly proven EVs can make money when sold in big numbers. ICE margins could get worse with lower volumes, but BofA analyst John Murphy sees lower investment helping preserve profits.

All of these shifting dynamics could accelerate consumer interest in EVs. While ICE vehicles go begging for investment and get fewer styling changes, they'll be less compelling. Consumers will look at new EVs with fresh styling, faster acceleration and smoother ride and vote with their wallets.

After test driving EVs, going back to a gasoline-burning SUV will feel like driving a tractor, Wakefield said. Think about consumers and their smartphones. A decade ago, only a third of Americans used them. As more people tried them, flip phones seemed so yesteryear awfully quick.

**AUTO SECTOR IN DRIVE MODE**

# Passenger Vehicle Sales Zoom in June, But CVs Still in Slow Lane

PV sales up 19% last month amid easing of supply constraints; three-wheeler sales also up 184%

**Our Bureau**

**New Delhi:** Passenger vehicle makers in the local market reported one of their best-ever monthly sales as supply constraints eased amid high demand in June.

As per data available with industry body Society of Indian Automobile Manufacturers (SIAM) as many as 275,788 passenger vehicles were sold last month, which is an increase of 19% over 231,633 units sold in the corresponding period of the last financial year. The growth in the industry would have been higher at about 26% if we were to include the sales of Tata Motors, which has stopped reporting data on a monthly basis to SIAM.

Tata Motors sold 45,197 passenger vehicles last month.

Automakers in India mostly report wholesale dispatches from factories to dealerships and not retail sales to customers.

Three-wheeler sales rose 184% to 26,701 units in June. Wholesale demand for two-wheelers too grew by

## Picking Up Pace

	Jun-21	Jun-22	% CHG
Passenger vehicles*	2,31,633	2,75,788+	19
Three-wheelers	9,404	26,701	184
Two-wheelers	10,60,565	13,08,764	23
<b>TOTAL</b>	<b>13,01,602</b>	<b>16,11,300</b>	<b>24</b>

Domestic sales only

\*Does not include sales of Tata Motors

Source: Society of Indian Automobile Manufacturers

23% to 1,308,764 units. While sales of scooters went up by 70% to 421,362 units, those of motorcycles increased 9% to 849,928 units this June. Rajesh Menon, director general, SIAM said, "In quarter 1 this year, sales in the passenger vehicle segment stood at about 9.1 lakh units, in two-wheeler segment about 37.25 lakh units, in three-wheeler segment about 76,000 units and in commercial vehicle segment

about 2.25 lakh units."

For even as monthly sales grew on a low base, a closer look at the data shows compounded annual growth rate (CAGR) in the first quarter for the last five years in the passenger vehicle segment has been a meagre 1%. Meanwhile, in the commercial vehicle, three-wheeler and two-wheeler segments, CAGR has stood at (-)0.6%, (-)17.1% and (-)10%, respectively.

In the entry-level segment particularly, demand for small cars as well as two-wheelers has gone down substantially. While sales of mini cars last quarter fell 59% compared to Q1FY19, those of motorcycles (up to 110 cc) and scooters (up to 125 cc) declined by 42% and 36% in the period under consideration.

The automotive industry continues to remain under pressure due to high commodity costs, including those of precious metals.

"Recently, the government has taken significant measures to ease the inflationary pressure and help the common man by reducing central excise duty on petrol & diesel and changing the duty structure to moderate prices of steel & plastic," informed Menon, adding while industry stakeholders appreciate the measures it keenly looks forward to similar support on CNG prices which has seen exponential increase in the last 7 months.

"Support on CNG prices would help the common man, facilitate public transport and will enable a cleaner environment", he said.

## Business Line 14<sup>th</sup> July 2022

# Demand for diesel-powered cars on the rise as chip crunch eases

## Manufacturers ramp up production

SWARAJ BAGGONKAR

Mumbai, July 13

Diesel cars, which seemed to be driving into oblivion in the passenger car space, have staged a quiet comeback following resumption of normal production levels and improved availability of semiconductors.

Carmakers and dealers have seen a rise in demand for diesel powered passenger vehicles, especially sports utility vehicles (SUV), in the last several weeks. This has come as a surprise for many as several companies, including market leader Maruti Suzuki, completely stopped making diesel cars for the India market as their price had become unaffordable for the sub-₹10 lakh car buyer.

Hyundai Motor India wit-

nessed a higher-than-industry-average response for the diesel variant of the newly launched refreshed Venue and for other models that have diesel as an option.

**Hyundai Motor's bookings** Tarun Garg, Director - Sales and Marketing, Hyundai Motor India, said, "33 per cent of the bookings we got for the new Venue are for diesel variants, which is up from 23 per cent we had for the older model." Venue is Hyundai's sub-4 meter compact SUV whose petrol prices start at ₹7.53 lakh, while diesel variants starts at ₹9.99 lakh.

Diesel penetration for the Korean car brand is 'extremely good' in all the models where diesel is available as an option. "In Creta, diesel share is 61 per cent compared to 53 per cent last year. Alcazar is 81 per cent whereas last year it was 69 per cent, in Verna it is 50 per cent as against 37 per cent



Sales of diesel variants were crippled because carmakers chose to produce petrol variants more since they were cheaper

last year. Overall share of diesel in Hyundai portfolio has risen to 30 per cent from 25 per cent but it is around 50 per cent in models where diesel is available as an option," Garg added.

Tata Motors and Mahindra & Mahindra (M&M) have also seen good response for diesel variants. "Around 70 per cent of the demand for

XUV700 is for the diesel variant. 60 per cent of sales of XUV300 is diesel. We have a strong preference for diesel for our range," said Rajesh Jejurikar, Executive Director, M&M.

### Good response

Rajan Amba, Vice-President, Sales, Marketing and Customer Care, Tata Motors Pas-

senger Vehicles, said, "In line with the overall growth, we have received an excellent response for our range of passenger vehicles having diesel powertrains. The diesel versions of Nexon, Altroz, Harrier and Safari contribute 20 per cent to sales, which is above industry average."

Dealers, however, say that demand for diesel models did not go down to the extent it was projected. Sales of diesel variants were crippled because carmakers chose to produce petrol variants since they were cheaper and required fewer semiconductors. Thus, the waiting period on diesel cars went up, in turn, leading to lesser demand, say market watchers.

Vinkesh Gulati, President of the Federation of Automobile Dealers Association, said, "Petrol cars need 20 per cent less semiconductors than diesel cars. Manufacturers started making much more petrol cars leading to a

shortage of diesel cars. Today, we have reached normal production levels since chip supply has improved and therefore manufacturers are gradually ramping up diesel vehicle production."

Not just Maruti Suzuki but Volkswagen, Renault, Skoda, Nissan and Toyota do not have diesel models under ₹15 lakh. While three out of every five Cretas sold by Hyundai are powered by a diesel engine, Maruti Suzuki and Toyota would offer their new Creta-rivalling models with only petrol engines.

# PRESS REPORTS ON ELECTRIC VEHICLE

Business Line 9<sup>th</sup> July 2022

## British International Investment to invest ₹1,925 cr in M&M's new EV arm

Fund infusion will give the UK investor 2.75-4.76% ownership in EV company

### OUR BUREAU

Mumbai, July 8

British International Investment (BII), the UK's Development Finance Institution and impact investor, and Mahindra & Mahindra (M&M) have executed a binding agreement to invest up to ₹1,925 crore each into a wholly-owned subsidiary of M&M that will be newly incorporated.

BII's investment will be in the form of compulsory convertible instruments at a valuation of up to ₹70,070 crore, resulting in 2.75 per cent to 4.76 per cent ownership for BII in the EV company. The EV company will focus on four-wheel passenger electric vehicles meant for personal use.

### ₹10,000 crore investment

The total capital infusion is envisaged to be approxi-

mately ₹8,000 crore between FY24 and FY27. M&M has earmarked an additional ₹2,000 crore till FY27, taking the total investments to ₹10,000 crore.

The first round of BII's capital investment of ₹1,200 crore is expected to be completed not later than June 2023 on fulfilment of conditions precedent and the remaining ₹725 crore, post completion of certain milestones in FY24. M&M and BII will work jointly to bring other like-minded investors in the EV company to match the funding requirement in a phased manner.

M&M's Executive Director and Head of Automotive and Farm Sectors, Rajesh Jejurikar, will be the head of the new EV company and will report to the M&M's board. Jejurikar will operate



The new entity will have access to 'Mahindra' brand as well as product brands like XUV 711

through a management council and a CEO. The management council will initially comprise of President, Automotive, President, Automotive Tech and Product Development, President Purchase and CFO of Automotive and Farm.

According to M&M, the yet-to-be-named EV company will be completely asset light. It will depend on M&M for product manufacturing, design, product development, technology and

sourcing services. Anish Shah, Managing Director and CEO, Mahindra & Mahindra, said: "We are extremely delighted to have BII as a partner in our SUV electric journey. In BII, we have found a like-minded long-term partner who is committed to combating the climate emergency. The Mahindra Group aims to be Planet Positive by 2040. We are confident we will be the leaders in the electric SUV market in the future."

Business Line 4<sup>th</sup> July 2022

## Hindustan Motors, European firm JV to launch electric two-wheelers by 2023

### PRESS TRUST OF INDIA

Kolkata, July 3

Hindustan Motors (HM), the maker of the erstwhile iconic 'Ambassador' cars, expects to set up a new joint venture with a European partner to manufacture electric two-wheelers by next year, a senior official said.

It might look at making electric four-wheelers at a later date, he said.

Financial due diligence of both the companies will start in July, which will take two months, after which the technical aspects of the joint venture will be looked into and this will take another month, Managing Director of Hindustan Motors, Uttam Bose, told PTI.



Uttam Bose, MD, Hindustan Motors Ltd

"Only then, the structuring of investments (will be decided) and the new company formed, and this is expected to be completed by February 15," he said.

Bose said after formation of the new entity, two more quarters will be required to initiate the pilot run of the project, adding that the final product is likely to be

launched by the end of next fiscal year.

"After two years of commercialisation of the two-wheeler project, a decision will be taken on the manufacture of four-wheeler EVs," the top company official said.

Bose said its Uttarpara plant will have to be retro-fitted, as some of the control systems, along with electronic hardware and software, need replacement.

He said HM was the only original equipment manufacturer (OEM) in the country, having its own forging, foundry and paint shop, as well as assembly and welding shop, making the Uttarpara facility a completely integrated automobile plant.



# EV sales rebound; June registrations up 10%

June quarter saw highest-ever registrations at 2.1 lakh units

**GBALACHANDAR**

Chennai, July 4

Sales of battery-powered vehicles have bounced back in June as total registered electric vehicle (EV) volumes saw a 10 per cent increase as compared to volumes of May, supported by a recovery in electric two-wheeler sales and strong growth in the electric three-wheeler segment. The positive growth in June comes after two consecutive months of decline in overall registrations.

Total EV registrations (all segments included) in June stood at 72,452 units as compared to 65,879 units in May and 72,590 units in April, according to data on Vahan dashboard.

## Trend reversal

For Q1 of this fiscal, total EV registrations stood at 2.1 lakh units, the highest-ever quarterly volumes. In Q4 of FY22, it stood at 1.79 lakh units.



The positive growth in June comes after two consecutive months of decline in overall registrations

“EV volumes are dominated by the electric two-wheeler segment, and the 9 per cent fall in total EV volumes in May was caused by a sharp dip in electric two-wheeler volumes. The frequent news on battery-related safety concerns apparently had an impact. However, this trend has reversed and electric two-wheeler volumes grew 7 per cent in June, crossing 42,000 units. Other EV segments recor-

ded even more impressive growth in June,” Gagan Sidhu, Director, CEEW-Centre for Energy Finance, told *BusinessLine*.

According to estimates, total high-speed electric two-wheeler registrations stood at about 42,200 units in June as against 39,438 units in May; 49,141 units in April; and 49,591 units in March. Electric three-wheeler volumes did fall in May but far less than for electric two-wheel-

ers, while electric cars continued their northward movement.

Additionally, all three segments – electric three-wheelers, e-rickshaws and electric cars – had an impressive run in June, with a month-on-month increase of 29 per cent, 15 per cent and 9 per cent, respectively.

## Okinawa unbeaten

Okinawa continued its leadership position by selling the highest number of electric two-wheelers at 6,981, followed by Ampere (6,541). Hero Electric sold 6,503 units, while Ola Electric's volumes stood at 5,883. Ather Energy's two-wheeler registrations stood at 3,815 units, according to data. “We are actively working with our supplier partners to reduce the demand-supply gap, and are hopeful that things will begin to turn around over the next few months,” said Ravneet S Phokela, Chief Business Officer, Ather Energy.

Sidhu said BIS' standardised parameters for performance of lithium-ion batteries will provide added reassurance to consumers.

## Business Line 13<sup>th</sup> July 2022

# Ola Electric unveils lithium-ion cell; mass production from 2023

**OUR BUREAU**

Bengaluru, July 12

Ola Electric has unveiled an indigenously-developed lithium-ion cell, NMC 2170. Built in-house, it will begin the mass production of the cell from its upcoming gigafactory by 2023.

The use of specific chemistry and materials enables the cell to pack more energy in a given space and also improves the overall life-cycle of the cell. The cell has been developed keeping the indigenous conditions at the core.

## 'First of many'

Bhavish Aggarwal, Founder and CEO, Ola Electric, said, “Ola is building the world's most ad-

vanced cell research centre that will enable us to scale and innovate faster, and build the most advanced and affordable electric vehicle (EV) products in the world with speed.” The indigenously made Li-ion cell is the first of many in the cell technology roadmap, he added.



Bhavish Aggarwal, Founder and CEO, Ola Electric

(R&D) talent across the globe, and will employ 500 PhDs and engineers. Ola Electric is committed to invest in core R&D to create indigenous advanced cell technologies, strengthen manufacturing capabilities and create an integrated electric vehicles hub, said the company.

# Murugappa Group to begin new EV innings in August

To launch electric three-wheelers; to be produced at factory in Chennai

**G BALACHANDAR**

Chennai, July 11

Chennai-based diversified industrial conglomerate Murugappa Group will soon enter the electric vehicle (EV) segment as its recently formed arm TI Clean Mobility (TICM) will introduce electric three-wheelers this August/September.

TICM, a subsidiary of the group's engineering company Tube Investments of India Ltd, has planned an initial investment of ₹200 crore, which will be made in manufacturing operations and others. TICM will focus on producing and selling electric three-wheelers and electric tractors under its existing ebike brand 'Montra'.

This is the second foray by the group into the EV segment. In 2008, TII launched electric scooters under the brand name BSA. Due to slow growth and with-



Arun Murugappan, Executive Chairman, Tube Investments

drawal of government incentives, the company discontinued this business. However, the company believes three-wheelers and tractors are set to witness disruption due to favourable cost and other benefits.

## Three-wheelers

"We will launch three products, including passenger and cargo variants, in the electric three-wheeler segment," said Arun Murugappan, Executive Chairman of Tube Investments of India. "The initial range of 3-wheeler products would feature three variants in the passenger segment and three variants in

cargo and e-rickshaw segments," the company said in its latest annual report.

The vehicles have undergone various tests and trials over the past couple of years and will be produced out of its factory at Ambattur in Chennai. "The EV plant will have a capacity of 75,000 units per annum initially and we will keep investing in capacity depending upon the demand and market growth," he said.

## Tractors

While it has taken the organic route for the entry of electric three-wheelers, the company has acquired a controlling stake in Hyderabad-based e-tractor maker Celestial E-Mobility Pvt Ltd, at about ₹161 crore, for production and sale of electric tractors. "We are building a factory in the outskirts of Chennai for producing electric tractors," said Murugappan. The tractors would be launched under the brand Celestial Egati. For the farming segment, two variants are being developed to address different power requirements, said the annual report.

Business Line  
12<sup>th</sup> July 2022

## South Korean batterymaker to power up M&M's first electric SUV

**REUTERS**

Seoul, July 11

South Korean batterymaker LG Energy Solution is set to supply batteries to M&M's first electric SUV, said sources. The batteries will power the automaker's XUV400 SUVs, likely scheduled for delivery between the fourth quarter and January, the source said, but did not confirm the deal size. Before LG Energy Solution was split off from its parent company LG Chem, Mahindra in 2018 signed a deal with LG Chem to collaborate on the supply and technology of lithium-ion batteries, according to a Mahindra statement.

While LG Energy Solution declined to comment, Mahindra did not immediately respond.

M&M chief executive had told Reuters in an interview that the company could consider investing in a battery-cell company.

# EV sales vroom 635% in first quarter of FY23

Shift to e-mobility, particularly in the 2-wheeler space, may happen sooner says NITI Aayog-TIFAC report

## DATA FOCUS

PARVATHI BENU

Chennai, July 6

The world may be set to go green real soon. At least that is what the latest numbers on electric vehicle (EV) registrations in India say. Amid the number of fire incidents, as many as 72,474 EVs were registered in the country in June, according to the data available on the Vahan portal.

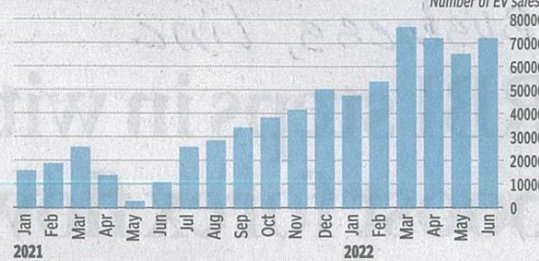
This is a 547 per cent jump, compared to the June 2021 figures. In fact, the first quarter of the current fiscal (Q1 FY23) saw the most number of EV sales — a massive 2,10,942 of them — which is 635 per cent higher than the corresponding quarter of FY21.

A new report by NITI Aayog and the Technology Information Forecasting and Assessment Council (TIFAC) says, "India is at the crossroads and a shift to electric mobility, particularly in the two-wheeler segment, may happen faster than anticipated. There is a positive mindset about electric mobility among the consumers and a recent rise in the price of petroleum fuels has played a major role in this shift." It also notes that public awareness about EVs has also increased.

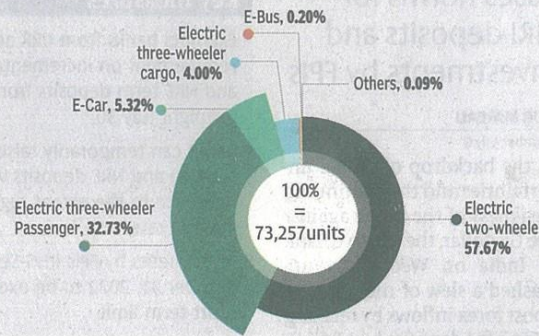
### Rocking the market

According to a report by consultancy firm JMK Research and Analytics, a major portion of these EV sales was in the electric two-wheeler and three-wheeler categories. "EV registrations in June 2022 were driven by electric two-wheelers and passenger-type electric three-wheelers, which together accounted for 90.40 per cent of total registrations in the month. The shares of these categories were followed by e-cars (5.32 per cent), cargo-type electric three-wheelers (4 per cent), and so on," the report says.

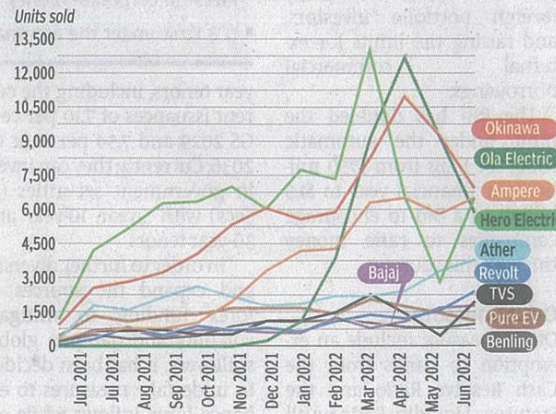
EV sales at record high in Q1 FY23



### Electric two-wheelers are the most popular



### Okinawa, Ampere top players in the market



Source: VAHAN, JMK Research

As much as 57.67 per cent of the sales were in the two-wheeler space. The NITI Aayog-TIFAC report, too, supports this trend. "The Indian vehicle market is primarily dominated by the two-wheelers with more than 70 per cent of the registered vehicles currently falling under this category. Thus, any effort to address problems associated with fossil fuels in the transport sector needs to have a major focus on their use in these vehicles," it says, noting that the number of two-wheeler sales has only gone up over years.

The top electric two-wheeler manufacturer in the

country as of now is Okinawa, followed by Ampere, Hero Electric and Ola Electric, in that order.

### UP sold more

Of all the States and Union Territories, EVs are most popular in Uttar Pradesh. In June, as much as 17 per cent of the total EV sales happened there, according to the JMK report.

"(It is) followed by Maharashtra with 13 per cent share. Karnataka retained its third spot with a 10 per cent share, followed by Gujarat (8 per cent), Rajasthan (8 per cent), Tamil Nadu (6 per cent) and Delhi (6 per cent)," the report notes.

## Tesla's China shipments soar to a record as plant goes full blast

BLOOMBERG

July 8

Tesla's shipments from its Shanghai car plant surged to a record last month, a dramatic recovery from lockdown measures that stunted output for weeks.

The electric-car maker delivered 78,906 vehicles in June, more than double its total a year ago and up 145 per cent from May, according to China's Passenger Car Association. Tesla shipped 77,938 cars to the local market and just 968 units went abroad.

Tesla's monthly deliveries from China sunk to 1,512 vehicles in April, with zero exports, as Shanghai's shutdown forced the company to suspend production for around three weeks. The loss of output from its most productive plant contributed to the company getting fewer cars to customers in the last three months than either of the previous two quarters.

The carmaker went to extraordinary lengths to get its Shanghai factory back up and running, bringing in thousands of workers under an elaborate closed-loop system that kept them on site and tested regularly. Employees were finally let out on June 10, after the plant resumed around-the-clock production and supplies and logistics were essentially back to normal.

# PRESS REPORTS ON TWO – THREE WHEELERS

Business Line 13<sup>th</sup> July 2022

## Yamaha RX100 to make a comeback, in a new avatar

Chairman Chihana says launch possible only after 2026; need new engine as old one does not comply with BS6 norms

S RONENDRA SINGH  
New Delhi, July 12

One of the most iconic bikes of the yesteryear, the RX100 from Yamaha Motor India's stable, may soon hit the roads again – this time, in a new avatar.

### Probable launch: 2026

"We want to bring back the RX100 brand but there are two points – RX100 is two-stroke engine and complying BS6 engine in it is impossible now. But, certainly giving the name to a new model



is in our plan. Having said that, once we put the RX100 on a brand/some aspiring model ... the reincarnation with modern styling/ flavour, is a big challenge," Eishin Chihana, Chairman, Yamaha Motor

India, told *BusinessLine*. When asked about a possible launch time, Chihana said it could be possible only after 2026, as the company has other models lined up till 2025.

"We have a plan, but we should not use RX100 name so easily ... it will ruin the image. RX100 cannot be a quick plan/decision ... it should be an impactful package with powerful engine and design," Chihana added.

The bike, which was produced between 1985 and 1996, has a cult following and is still in demand in after-sales market, even after 26 years since the company stopped its production. Many users have kept the strongest 100cc motorcycle of its time, still intact because



Giving the name to a new model is in our plan, says Yamaha Chairman Eishin Chihana (left)

Yamaha continues to provide spare parts even now, he said.

### EV business

Talking about the current business scenario, Chihana said the company is doing test runs and durability tests for its electric scooters to be launched in the next three years.

knocked down unit (CKD) or assemble here with more localisation," he said adding that the company wants to launch a 'reliable electric scooter'.

Yamaha India manufactures its products in India with more than 90 per cent localisations at its two plants in Greater Noida (Uttar Pradesh) and Tamil Nadu from where it also exports to about 30 countries.

"From the global point of view, Yamaha in India is expected to become the second biggest export hub, next to Indonesia. Currently, Indonesia exports to 55-60 countries including advanced countries in Europe and the US. We want to increase the destinations, whether in the US, Europe or Japan, from the Indian hub," Chihana added.

The company exports around three lakh two-wheelers from India right now, while Yamaha's Indonesia plant exports around 6.50-7 lakh units a year.

Business Line 6<sup>th</sup> July 2022

## 2-wheeler demand skids on new regulation, rising cost

Implementation of OBD Stage 2 at one go, costlier inputs have seen 2-wheeler prices jump 22% in two years

SWARAJ BAGGONKAR  
Mumbai, July 5

The steady increase in the cost of two-wheelers will likely continue as new regulations are set to kick in, putting further pressure on offtake of motorcycles and scooters.

As against the two-stage implementation of On-Board Diagnostics Stage 2 (OBD 2), the government has gone for a single-stage implementation. Two- and three-wheeler companies will have to test, validate and make their entire range conform to the new regulations much before the deadline.

While OBD 2A was to be implemented from April 1, 2023, OBD 2B was set for April 1, 2025. However, according to the new order, both

the stages shall get implemented effective April 1, 2023.

"In November 2021, the Centre had decided to advance the implementation of the OBD 2 for two- and three-wheelers at one go instead of the previously agreed two stages. Effectively, the norms were to be implemented ahead of Euro 5 OBD 2B standards, but with no time to achieve mature calibration," noted Bajaj Auto, in its latest annual report.

### OBD standards

OBD 2 is a crucial regulatory norm that calls for monitoring of catalytic converters, misfire detection and oxygen sensor deterioration. OBD 2B involves CAT monitoring – the calibration of which needs over two years of durability testing and monitoring after OBD 2A implementation.

The Society of Indian Automobile Manufacturers (SIAM) has sought implementation of OBD in two stages as previously planned.

"Bajaj Auto's R&D is taking no risks. It has re-allocated resources



From June 1, third-party insurance premium has been hiked for two-wheelers having engines higher than 150cc

and programme priorities to tool up and calibrate the huge range of two- and three-wheelers the company manufactures. This involves a task of re-homologation of its entire range," Bajaj Auto added.

### Poor demand sentiment

Over the past two years, two-wheeler prices have shot up by 22 per cent due to high commodity and input prices, including that of semiconductors.

From June 1, third-party insurance premium was hiked for two-wheelers with engine capacity higher than 150cc. Poor demand sentiment due to the rising prices

saw the two-wheeler industry post their third consecutive yearly sales fall in FY22. At just 13.46 million units sold last year, two-wheeler offtake was the lowest in 10 years and far from short of pre-Covid levels, show SIAM data.

"Demand growth is highly dependent on improvement in consumer sentiment. The improvement in sentiment is yet to fully recover to pre-Covid levels and could be impacted by inflation, especially energy and food-led and any significant adverse development in Covid," noted TVS Motor Company in its annual report.

"Any further price increases due to commodity cost escalation could adversely impact demand. The low- and mid-segments of the market have low headroom for further price increases. Non-availability of raw materials, and shortage of semiconductor and some EV specific components could impact financial performance," TVS Motor warned further.

High inflationary pressure will hit sales: FADA p2

# PRESS REPORTS ON COMPANY NEWS

The Economic Times 8<sup>th</sup> July 2022

IN TALKS WITH FUNDS TO SECURE \$300-600M

## MG Motor Plans to Raise Funds in Big India Push

Ketan Thakkar  
& Ashutosh R Shyam

**Mumbai:** At a time when Great Wall Motor, China's largest SUV maker, has been compelled to drop its \$1-billion India plan, MG Motor India, the local subsidiary of China's biggest carmaker Shanghai Automotive, is working overtime to secure funds locally to kick off its next phase of expansion in the country.

Having given a mandate to investment bankers, MG has already engaged with close to a dozen fund houses to raise \$300-\$600 million locally with the FDI proposal stuck with the government of India. The deal is likely to close before the end of the financial year, said people in the know.

The next phase of expansion will call for an investment of close to ₹5,000 crore and doubling of product portfolio in the country to about 10 products with a big focus on electric vehicles. MG Motor has appointed a UK based consulting firm to raise money that would expand its installed capacity and expand its product offerings, particularly in the electric vehicle space.

Rajeev Chaba, MD of MG Motor India told ET the company has kept all options open, right from green-

### Enhancing Presence

NEXT PHASE OF EXPANSION...

- 1 Plans to double capacity and product portfolio in 4-5 years
- 2 Focus on EVs

field expansion, brownfield expansion, partnering another automotive company to contract manufacturing.

"I believe in partnership, we have a few OEMs, we have mutual respect for each other, the dialogue is always on, everybody wants to explore, it is not our personal philosophy, collaboration is a way towards growth in the automotive industry," said Chaba.

The company has been pursuing advanced discussions with several marquee global private equity investors and ESG-focused funds. A person close to development said

May look at local public listing to provide exit route to PE investors

4,000-5,000  
Average volume sales of MG in India; hoping to double it within a year

I believe in partnership, we have a few OEMs... The dialogue is always on

RAJEEV CHABA  
MD, MG Motor India



the company has been tal-

king to a whole host of investors and the transaction is expected to close by the end of the current fiscal year.

"The valuation of Tata Motors-TPG has been set as a benchmark for the fund raising for MG Motor's Indian subsidiary," said an investor banker. "Our discussion with investors shows that MG Motor has more experience and is about two generations ahead of the Indian market which makes valuation quite closer to the Tata Motors-TPG deal," he added.

Business Line 13<sup>th</sup> July 2022

## ZF's 'EcoTronic' systems for CVs to improve fleet efficiency

OUR BUREAU

Chennai, July 12

ZF, a global leader in driveline and chassis technology and safety parts, has introduced its new EcoTronic Mid Automated Manual Transmission system for commercial vehicles in India. The EcoTronic system promises to offer vehicle insights to help improve fleet operational efficiency, said a statement.

It offers a range of industry-first driving functions including shift-free low-speed manoeuvring, hill assist, rock-free and off-

road modes to meet virtually all application needs. It enables a smooth driving experience, clutch pedal-less operations and increased driver productivity to support quicker turnarounds.

This indigenous solution is assembled and supplied by ZF's facility in Pune.

P Kaniappan, MD, ZF Commercial Vehicle Control Systems India Ltd, said ZF was focusing on expanding its business and localising products. Many leading manufacturers have chosen ZF as their technology partner.

# SUVs power TaMo past Maruti in UV space

New launches and explosive growth in SUV market helped in volume growth

**GBALACHANDAR**

Chennai, July 13

Tata Motors has displaced Maruti Suzuki to vroom to the No 1 position in the utility vehicle (UV) space. Overall in the passenger vehicle (PV) segment, too, the company is inching towards the No.2 spot behind Maruti.

In the first quarter of 2022-23, Tata Motors' total UV sales (including compact/mid-range SUVs) stood at 87,943 units (31,303 in Q1 FY22). However, Maruti Suzuki, which has been planning a slew of SUV launches, sold 80,852 units (60,011). Mahindra & Mahindra occupied



Tata Motors' resurrection journey began with Nexon's launch REUTERS

the No 3 position with 74,420 units, while Hyundai's total UV sales were 71,123 units, shows data of the Society of Indian Automobile Manufacturers.

## Raising the bar

From a modest player in the SUV segment, Tata Motors' 'resurrection' in the UV market in the past couple of years has been impressive as its new launches and the explosive growth in the SUV

segment helped it clock significant volumes. The journey started with its flagship product Nexon, the first Global NCAP 5-star rated SUV in India, which is now among the largest selling in the segment.

In FY22, a year of product offensive for the brand, the company introduced the Harrier and the Safari together, with advanced vehicle architecture and new features. Both garnered a

35.8 per cent market share in the high SUV segment in FY22. The launch of the Punch, which also got a Global NCAP 5-star rating for adult safety, accelerated the sales momentum with the SUV clocking average monthly volumes of 10,000 units.

## PV sales also rise

Tata Motors launch of new variants in the PV segment also consolidated its position. As a result, the company's overall PV volumes jumped up. In Q1 FY23, its total PV volumes stood at 131,940 units (64,961 in Q1 of FY22). The No 2 player Hyundai's numbers stood at 1,35,295 (114,499 units).

The competition between Tata Motors and Hyundai for the No 2 position is set to intensify as the Korean major has also been upping its ante with new launches.

# M&M eyes aggressive growth in farm equipment biz, to up domestic share

Segment to be driven by core domestic growth, farm machinery, global business

**GBALACHANDAR**

Chennai, July 11

Top tractormaker Mahindra & Mahindra Ltd (M&M) has indicated that three key segments will help the company achieve aggressive growth in the farm equipment business going forward. After an impressive performance in FY22 with market share gains amid some headwinds for the industry, the company is looking to increase its domestic share further this fiscal.

In FY22, the company sold a total of 354,698 tractors (under Mahindra, Swaraj and

Trakstar brands), a marginal increase of 200 units over last year. FY22 volumes were the highest ever in any year. With a gain of 180 bps, the company's market share increased to 40 per cent.

## Growth drivers

"We have an aggressive growth strategy for the farm sector, driven by core domestic (growth in domestic tractor market share), growth in farm machinery and a quantum jump in global farm businesses," the company said in its latest annual report.

After the successful launch of the Yuvo Tech+ range of tractors in FY22, the company has planned a series of new launches to augment its tractor portfolio. It also intends to leverage technology

on agro advisory and ecosystem services. With increasing labour costs and shortage, the company also seeks to strengthen its focus on farm mechanisation solutions.

## New implements

In FY22, M&M introduced new heavy rotavators and smart rotavators.

Also, Swaraj Tractors launched CODE, a revolutionary mechanisation solution for horticulture farming. Going forward, Mahindra will continue to launch new implements and farm machinery through help from its Centres of Expertise in Turkey, Finland and Japan. The company is also in the process of building a dedicated new factory at Pithampur to produce rice transplanters, potato planters and harvesters.

In FY22, the company's farm equipment division exported 17,646 tractors — a growth of 65.5 per cent over the previous year, higher than the industry's export growth of 45 per cent. This was driven by higher retails in several markets such as the USA, Brazil and various African and South Asian markets of Nepal, Sri Lanka and Bangladesh.

## New emission norms

As the domestic industry will transition to new norms from October 1, the company said the shift would apply only to tractors with engine capacity over 50 HP, impacting just about 10 per cent of the overall industry volumes. India remains a medium to high HP market with more than 90 per cent of the sales coming from sub-50 HP products.

# Merc in top gear, sees record June qtr sales

SHALY SETH MOHILE  
Mumbai, 11 July

Mercedes is on a roll in India. A positive business sentiment and a desire to own the latest models from its stable drove the April-June quarter sales at the local arm of the German luxury carmaker to a record high, according to a top company executive.

For the quarter ended June (Q2), it sold 3,551 units, the highest ever in any Q2 in the company's 28-year history in India. It had sold 1,664 units in the corresponding period last year.

Deliveries in the first half of 2022 also advanced at a brisk pace, soaring 56 per cent to 7,573 units in the January-June period. This was the second highest since 2018. It had delivered 8,061 units in the comparable period in 2018.

"It's a genuine demand for many months now. It's no longer a pent-up demand," Martin Schwenk, managing director (MD) and chief executive officer (CEO), Mercedes India, told *Business Standard*.

The company's order book for the new models has doubled to over 6,000 units in three months, underscoring the robust demand, he pointed out. In addition to the new models — including the Maybach S Class and C Class introduced this year — a positive consumer sentiment and a resilient business climate also helped, added Schwenk. This is in contrast to the global macro-economic scenario.

**Martin Schwenk, MD and CEO, Mercedes India, said he expects 2022 to be the best year for the firm given that supply chain issues don't impact the plans**

While the inflationary trend had an adverse impact, the desire to purchase a luxury product outweighed the inflationary trend, as there is financial capability to deal with the latter, said Schwenk.

This is in line with the trend seen among the luxury travel and home buyers, he added.

Almost 11 per cent of the investable wealth of Indian ultra-high net worth individuals (UHNWIs) is allocated towards passion-led investments, against the global average of 16 per cent.

About 29 per cent of India's UHNWIs spent more on passion investments in 2021 compared to the previous year, according to the Knight Frank Wealth Report 2022.

UHNWIs are individuals with a net worth of \$30 million and above. "Joy of ownership scored above investment returns," the report said.

Meanwhile, the semiconductor shortage continues to weigh on sales. "If not for the shortage, we would have done even better. We are working to reduce the impact but it will last for the remaining months of the year," Schwenk said.

The recently-launched C Class has a waiting period of two to three months, and for the Maybach S 580, it is four to five months.

The GLA or GLS models have waiting periods of 4-5 months and 10-11 months, respectively. So, there are hardly any models from the company that are available off the shelf.



## Business Line 12<sup>th</sup> July 2022

# Ashok Leyland appoints Ganesh Mani as President

OUR BUREAU  
Chennai, July 11

Leading truck and bus-maker Ashok Leyland has appointed Ganesh Mani its President and Chief of Operations. He will head the entire operations of AL that including manufacturing and sourcing and supply chain, said a statement.

Prior to this, Mani was the Director of Manufacturing Operations at Hyundai Motor India Ltd (HMIL). He was also the member of the Board of Directors at Hyundai. Mani has over three decades of experience working with Maruti Suzuki Lts and HMIL.

"Ganesh brings over 3 decades of rich experience to Ashok Leyland and his expertise in the fields of the manufacturing process, strategy and formulation are well-known. He joins a strong leadership team and I



look forward to him achieving our aspiration to be among the top 10 global CV players," said Dheeraj G. Hinduja, Executive Chairman of Ashok Leyland.

Being a process-driven strategic leader, he has been a pioneer in innovating new ways of operations and challenging conventional methods. He has seven patents/copyrights to his credit for the special manufacturing processes. He is also the Vice Chairman - CII Chennai Zone, said the statement.

# With new Tucson, Hyundai to target Creta, Verna owners

The all-new offering will be launched next month with ADAS features

**S RONENDRA SINGH**

New Delhi, July 13

Hyundai Motor India (HMIL) on Wednesday said that the all-new Tucson sports utility vehicle (SUV) will complete the range of its offerings in the SUV segment and that its target customers would be the existing Creta and Verna owners wanting to upgrade their cars.

"Continuing with the strength that we have displayed over SUVs in the last few years, this will really complete the range. More importantly, because of the 1.2 million (12 lakh) Vernas and Cretas that we have sold in the market, those customers want to upgrade to the Hyundai family only. For our existing Tucson, 68 per cent of buyers are Hyundai's existing customers," Tarun



Unsoo Kim, MD&CEO, Hyundai Motor India Limited, at the media preview of the new Hyundai Tucson in New Delhi **KAMAL NARANG**

Garg, Director (Sales, Marketing, and Service), HMIL told *BusinessLine*.

### First vehicle with ADAS

Garg said the fourth generation Tucson will be the first vehicle with an advanced driving assistance system (ADAS) from the HMIL stable, apart from many other new features to be introduced in the vehicle.

He informed that Hyundai has sold 4.85 lakh units of the SUV globally last year including India, and since the first generation launch in 2004, it has sold 70 lakh units worldwide.

The Tucson was also the best selling vehicle from Hyundai's entire range of vehicles globally, in 2021.

The premium SUV seg-

ment in India, Garg said that currently it stands at around 40,000 units a year and it is likely to grow by around 22 per cent CAGR to touch 55,000 units by 2025.

"As the Indian automotive market continues to evolve, we are witnessing high customer traction for premium Hyundai SUVs, and the time for the next generation of lavish mobility experiences is now. The all-new Tucson has been developed to exude an innovative yet futuristic appeal while also reflecting Hyundai's premium and up-scale identity," Unsoo Kim, Managing Director and Chief Executive Officer, HMIL, said.

### Variants in offer

It will come with petrol (2-litre) and diesel (2-litre) powertrains, mated with six and eight-speed automatic transmissions, respectively. The petrol and diesel trims generate an output of 156 PS and 186 PS of power, respectively.

# Wheels India bullish on overseas markets

Sees strong revival in CE segment as economies shrug off effects of pandemic.

**OUR BUREAU**

Chennai, July 13

Leading auto parts maker Wheels India Ltd has said that its efforts to establish markets overseas helped the company achieve ₹1,000 crore in export revenue in FY22, and the export story will only get stronger given the favourable growth outlook.

"The foundation has been built to grow the export market along with customers in the coming years," Wheels India Chairman S Ram told shareholders at the 63rd AGM of the company on Wednesday.

The ₹3,687-crore company was able to increase its production of forged aluminium wheels for sale in Europe and the US. "In the last year, we saw the first full year of production of cast aluminium wheels from the new plant at Thervoy Kandigai. The wheels are sold to the largest aftermarket



S Ram, Chairman, Wheels India

distributor in the world. The demand is expected to grow this year," Ram said.

### Prospects in CV segment

The company, which is a significant supplier of wheels to the construction equipment (CE) industry worldwide, said there was a strong revival in the CE segment in FY22 as demand in most economies saw a recovery post pandemic and that demand is expected to remain strong this year.

Ram indicated that the company would continue to grow exports of construction wheels, tractor wheels, and aluminium wheels. On the commercial vehicle market in India, Ram said that with increased industrial activity, the company saw some

growth in the CV segment. The demand for small, light, medium, and heavy commercial vehicles is increasing after two successive years of steep decline.

The passenger vehicle segment was restricted by the availability of semiconductors despite an uptick in demand. The automotive industry should see an improvement this year with the moderation of commodity inflation and improving availability of parts.

On the air suspension business, he said that there had been some improvement in demand for lift axles used in heavy-duty trucks in the latter part of FY22 and expected further improvement this year. The company also sees growing opportunities to supply parts to the windmill segment as growth prospects are bright for the wind power industry.

In FY22, the Board approved the merger of Sundaram Hydraulics Ltd with Wheels India. The merger is expected to help the growth of hydraulic products manufactured by Sundaram Hydraulics for the construction industry, where Wheels India has a strong strategic relationship with many customers.



# Maruti looks to regain market share with new models

Launches all-new Brezza starting at ₹8 lakh

**OUR BUREAU**

New Delhi, June 30

Maruti Suzuki India (MSIL) said on Thursday that it is aware of its market share falling and to fix that it will introduce new and right products.

The company's overall share in the Indian passenger vehicle market had come down to 43.4 per cent in FY22 from nearly 50 per cent earlier, mainly due to shrinking sales of small cars.

**SUV market presence**

Speaking on the sidelines of the new Brezza launch, Hisashi Takeuchi, Managing Director and Chief Executive Officer, MSIL, said, the sports utility vehicle (SUV) segment now accounts for 40 per cent of the Indian passenger vehicle market and Maruti Suzuki's presence in the segment is not good enough. "We real-



Hisashi Takeuchi, MD and CEO, Maruti Suzuki India, at the launch of the all-new Brezza **KAMAL NARANG**

ise that, so we are fixing this. That's why we are going to introduce some new products into this segment (SUV)...we don't give any specific numbers, but obviously, in order to achieve our goal, we have to have the right product in all segments and we have to get some market share in all segments, and that is what we are going to," he said.

In certain segments, the company said it is still number one with high margins.

For instance, in the compact SUV segment, it is at the top with 20 per cent, and in the non-SUV segment it had an all-time high market share of 67 per cent last year.

**All-new Brezza**

The company launched the all-new Brezza, priced between ₹8 lakh and ₹13.96 lakh (ex-showroom, New Delhi). While the manual versions are priced between ₹8 lakh and ₹12.46 lakh, the automatic variants

start between ₹10.97 lakh and ₹13.96 lakh (all ex-showroom prices, New Delhi).

**Safety features**

Built on Suzuki's signature TECT platform, the new Brezza uses high tensile steel, offering more torsional rigidity and improved handling, leading to enhanced overall vehicle safety, the company said.

It offers six airbags, electronic stability programme (ESP) with hill hold assist as standard across all variants, and 20+ safety features such as reverse parking sensors, high-speed alert system, and Isofix child seat restraint system.

Also, for the first time, MSIL is offering its smart hybrid technology in all the trims of the Brezza – both in manual and automatic variants.

MSIL said it has received 45,000 bookings already, and the company has a capacity to produce 10,000 units a month, thereby resulting in a waiting period for the model.

# TVS Motor unveils new variant of Radeon

**OUR BUREAU**

Chennai, June 30

TVS Motor Company has launched a new variant of its 110cc motorcycle Radeon.

The Radeon 110 ES MAG BSVI will be available for ₹59,925, while TVS Radeon BSVI DIGI Drum Dual Tone will be priced at ₹71,966 (ex-showroom Delhi), according to a statement.

The new bike will sport the multi-colour reverse LCD Cluster with RTMi (Real Time Mileage Indicator). It comes equipped with proprietary TVS Intelligo (ISG and ISS system), delivering an unmatched riding experience & superior mileage. RTMi feature enables the user to control the mileage according to riding conditions.

Apart from RTMi, there are 17 other useful features in-built into the digital cluster like clock, service indicator, low battery indicator, top speed and average speed.

It also comes loaded with a distinct premium chrome headlamp, chrome rear view mirrors, front disc brakes and robust thigh pad design.

TVS Radeon comes with next-gen Ecothrust Fuel injection (ET-Fi) technology, which delivers 15 per cent better mileage, enhanced engine performance, durability, and a smoother riding experience. The motorcycle churns out 8.4 PS of power at 7,000 rpm with a torque of 8.7 Nm at 5,000 rpm.

# Piaggio India looks to take on rival Tata Motor's Ace electric

EV demand shoots up on rise in fuel prices, switch to BS6; Ashok Leyland, Daimler, others also eye the space

**SWARAJ BAGGONKAR**

Mumbai, July 12

Italian automotive brand Piaggio could be looking at the electric version of the Porter, its four-wheel cargo mini-truck, to take on the segment leader Tata Ace electric, which has been received overwhelmingly since the launch. Following the steep rise in prices of diesel-powered mini load carriers (3- and 4-wheelers) due to the switchover to BS6, there has been a notable rush in demand for electric-powered versions of these vehicles.

Diego Graffi, Chairman and Managing Director, Piaggio India, said, "We have been playing in the mini truck segment with the Porter family. So, definitely we are evaluating the segment for electric. If we see the opportunity to enter with a competitive offering, definitely we will



Piaggio says investments of several crores done in the last three years on EV; more to come

take that call." Graffi was talking on the sidelines of launching the Ape NXT+, a CNG-powered three-wheeler, priced at ₹2.35 lakh (ex-showroom).

## Competitive space

Tata Motors received more than 40,000 bookings for the electric version of the Ace which was unveiled in May. Set to go on sale in a few weeks, the Ace EV can do a maximum of 154 km on a single charge. It has a payload capacity of 600 kg. Tata Motors is yet to announce the price of the Ace EV. Ashok Leyland, Daimler India Commercial Vehicles and a few start-ups are also looking to enter the electric mini truck space given the assured demand from e-commerce players who

are eager to reduce their carbon footprint. Tata Motors has tied up with Amazon, BigBasket, City Link, DOT, Flipkart, LetsTransport, MoEving and Yelo EV.

"Sub-1 tonne space has become uneconomical under Bharat 6 norms. Going forward, there is a big opportunity in that space for electric. There is a huge opportunity for mini trucks not only for B2B but also B2C. We see lots of e-commerce, fleet owners who are interested in converting their fleet due to lower cost of ownership," Graffi said.

## 'More yet to come'

Piaggio was among the first companies in India to launch an electric three-wheeler. The company presently sells the Ape e-City (passenger) and the Ape e-Xtra (cargo), both three-wheelers. It aims to take the share of electric models in total sales to up to 25 per cent to 30 per cent. "We have done investments of several crores in the last three years on EV. More is yet to come. Piaggio is one of the 20 companies that qualified for the PLI scheme. So far, we have invested ₹70-80 crore and we are yet to freeze the plan for the next three years," Graffi added.

# TaMo Hires McKinsey to Help Put CVs on Road to Better Profits

**Ketan Thakkar & Ashutosh R Shyam**

**Mumbai:** Tata Motors has hired global management consulting firm McKinsey & Co to restructure its commercial vehicle (CV) business for better profitability without compromising market share, four people aware of the development told ET. The country's largest CV maker is keen to stop getting into a discount war that put it among the weakest performers in terms of bottomline in 2021-22 even as it regained its market share, they said.

McKinsey's mandate includes a comprehensive plan to address pricing, margins, structure, rightsizing, international business expansion, etc, in what would be a year-long association.

McKinsey is benchmarking some of the top companies around the world including Tata Motors' homegrown rivals that are performing on better profitability metrics, the sources said. The top management, including the chairman, has emphasised the need to end the culture of discounting and gaining market share at any cost at multiple meetings, they said.

A company spokesperson said, "Like most progressive organisations, we engage with external consultants and experts as and when needed to bring in new knowledge and perspectives that help accelerate our pursuit of excellence." Tata Motors' cumulative CV market share grew to 44.9% in FY22 from 42.4% in FY21, but its profitability dropped by 50 basis points during the year even as some of its peers improved their margin.

Tata Motors' volume sales grew by 37% at 367,000 units last fiscal.

Its operating margin, however, contracted 50 basis points to 3.7%, as hardened raw material prices also negatively impacted the bottomline. In comparison, rival Ashok Leyland posted a vo-

## Plan of Action

**44.9%**

Tata Motors cumulative market share in FY22 vs 42.4% in FY21

**50 bps**

Drop in profitability last fiscal

**₹100 cr**

Loss before tax for Tata Motors CV business vs Ashok Leyland's PAT of ₹542 crore in FY22



**3.67 lakh**

Units sold



But margins down 50 basis points to 3.7%

**Headwinds: Raw material prices**

lume growth of 27% and delivered a margin of 4.58% expanding over 100 basis points in FY22, underlining that the truck maker from Tamil Nadu was better able to manage headwinds.

Tata Motors' CV business posted a loss before tax of ₹100 crore in FY22, while Ashok Leyland had profit before tax of ₹542 crore. "It's a classical conflict between funding market share growth and driving profitability," said one of the four people cited above. "The CV business unit is unable to leverage technology or product superiority to command profitable selling prices and instead is relying on active discounting to retain or grow share, which is proving unsustainable."

Another person said, "Tata Motors' CVs don't enjoy the price power as it used to in the past," citing "high-cost structure, weak sales predictability, and extremely skewed sales variance -- with more than 70-80% of volumes pushed in the marketplace in the last week of the month". Industry experts pointed out that Tata Motors is a huge company with some of the systems and processes being laid out for years and decades.

Business Line 15<sup>th</sup> July 2022

## “Government hopes to have Labour Codes in place soon”

‘Most States have finalised draft rules, discussions done’

**SURABHI**

New Delhi, July 14

The Centre is hoping that the much delayed Labour Codes are implemented in the next three to four months with most States having finalised their own draft rules and deliberations are ongoing on the way forward.

According to sources, Except for a few, most States have now finalised their draft rules. It would be ideal if the Codes can be rolled out over the next few months. The Centre would hope to have the codes implemented before the end of the current fiscal.

“We are in July, with most of the work now completed, the Codes can be implemented by October or November,” another source said, adding that discussions with all stakeholders including employers and trade unions have been completed.

Most companies and employers had anticipated that the La-



‘Discussions with stakeholders including employers and trade unions have been completed’

bour Codes would be implemented from the start of the current fiscal and had also revamped their salary structures and plans accordingly.

However, “A mid-year roll out of the Code could be challenging as it would lead to problems in computation of bonus, etc,” said an expert who did not wish to be named, adding that implementing the Codes from the start of the fiscal year would be ideal.

However, with elections coming up in 2024, it is to be seen whether the government would choose to implement

the Codes in 2023 as they are also an emotive issue, he further noted.

### Labour laws codified

In order to streamline and modernise the plethora of labour laws, the government had codified them to replace 29 labour laws into four codes. These include Code on Wages, Code on Social Security, Occupational Safety, Health and Working Conditions Code and the Industrial Relations Code. The Labour Codes are one of the most long pending and much awaited reforms of the government.

Amongst various measures, the new Codes would rework the wages and provident fund calculations through restructuring of salaries. It would also improve ease of doing business by permitting firms with up to 300 workers to decide on layoffs, retrenchment and closure without government permission.

The Parliament had passed the Code on Wages in 2019 and the other three Codes in 2020. They were initially expected to be implemented from April 1, 2021 but were delayed due to the Covid-19 pandemic. It was then expected that these would be rolled out from April 1 this year but with many States yet to finalise their rules, they were pushed back again.

Union Labour Minister Bhupendra Yadav had in April this year exuded confidence that the Codes would be implemented soon as around 90 per cent of States have already come out with draft rules.

Labour is part of the Concurrent List of the Constitution and both the Centre and States have to draft their own set of rules.

# Govt may Soon Look at Making Safety Ratings Compulsory for Cars

Sharmistha Mukherjee  
@timesgroup.com

**New Delhi:** Cars in India will likely be rated on safety soon, as the government is looking at making star ratings compulsory for vehicles based on their performance in crash tests and other parameters.

This requirement is likely to become part of regulations under the Bharat New Car Assessment Programme (Bharat NCAP), a senior government official told ET. The plan earlier was not to make it compulsory, but the government now feels it is necessary to ensure that vehicles in India are at par on safety with those in developed countries. While automakers must meet all local safety standards, a lower rating would not lead to any penal action against manufacturer.

"Getting a 4- or 5-star rating is not mandatory, unlike the norms in certain countries," the official said. "The idea is to have B-NCAP ratings for cars like we have ratings (on energy efficiency) for appliances." This, he said, would enable consumers to make informed decisions while purchasing vehicles.

India ranks at the top global

## Strap On

Automakers must meet all local safety standards



But a lower rating not to lead to penal action

Move to enable buyers make informed decisions



### ON THE GOVT AGENDA...

Promoting manufacturing of sturdier vehicles	Introduction of advanced traffic monitoring systems
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ly in road accident-related fatalities and third in injuries, despite accounting for just 1% of the world's vehicle population. As many as 500,000 road accidents occur in the country annually, resulting in 150,000 deaths. Nearly 70% of those who die in road accidents are aged 18-45 years.

The government is looking at several measures including promoting manufacturing of sturdier vehicles, introduction of advanced traffic monitoring systems and use of artificial intelligence-based technology to minimise human errors on roads.

India is 5-7 years behind other major other automobile markets in implementing crash test regulations, the official said.

Discussions are underway with industry stakeholders to encourage vehicles sold in the local market do not have diluted safety standards, the official said. "We are studying Global-NCAP models in the US, Europe, Korea, and are engaging with manufacturers before notifying the norms."

While some manufacturers have expressed concerns over the cost implications of enhanced regulations, the government feels that vehicles today have become aspirational and need to be of global standards. "Car buyers today do not want to merely commute. The new-age buyers are millennials, who are conscious of and willing to spend on safety and technology," said the official.

Last month, minister for road transport & highways Nitin Gadkari approved the draft notification to introduce Bharat NCAP. The minister had said star ratings of Indian cars would be crucial not only to ensure structural and passenger safety in cars, but also to increase the export-worthiness of vehicles manufactured in India.

The Economic Times  
6th July 2022

Business Standard 8th July 2022

# State unveils new EV policy

R KRISHNA DAS  
Raipur, 7 July

The Chhattisgarh government on Thursday approved its Electric Vehicle (EV) Policy 2022 to make the state an EV-manufacturing hub, create employment, and reduce environment degradation. Chief Minister Bhupesh Baghel gave approval to the policy at a cabinet meeting.

The government has set a target of five years in having EVs accounting for 15 per cent of the new registrations of vehicles, individual or commercial.

EV manufacturers will be given exemptions (manufacturing EVs, components of EVs, EV battery and charging infrastructure) under the policy. Establishing charging infrastructure will be mandatory in the housing policy of the state (making charging points mandatory in residential and commercial complexes). Charging stations will come up in gov-



The Chhattisgarh government will have industrial plans for supporting the state's electric vehicle vision

ernment buildings and private ones. The policy ensures training in skills in EVs and encourages manufacturing in EV technology. It also calls upon existing automobile manufacturers to diversify into EV manufacturing.

The state government has announced reimbursing 100 per cent state goods and services tax (SGST) and registration fees on sales of elec-

tric buses and electric goods carriages in the state during the five-year policy period. It will reimburse SGST also for manufacturing EVs in the state during the period.

The government will have industrial plans for supporting the state's EV vision. It will also introduce an online portal for information regarding EVs and charging infrastructure, applying for EV-related

incentives, etc.

Companies manufacturing EVs, components of EVs and EV batteries, and charging infrastructure will get capital subsidies.

The state government will allocate 500-1,000 acres for developing an EV park, which will have an incubation centre for start-ups.

There will be platforms and programmes for industry participation and exploring possibilities of entering into MoUs with lithium cell/EV auto components to start manufacturing in the state. The policy will provide a capital subsidy of 25 per cent to select energy operators for charging equipment/machinery in the case of the first 300 fast-charging stations in the state. This will be up to ₹10 lakh per station.

The Chhattisgarh government will also provide 100 per cent SGST reimbursement to energy operators for purchasing batteries to be used in switching/swapping stations.