AUTOMOBILES

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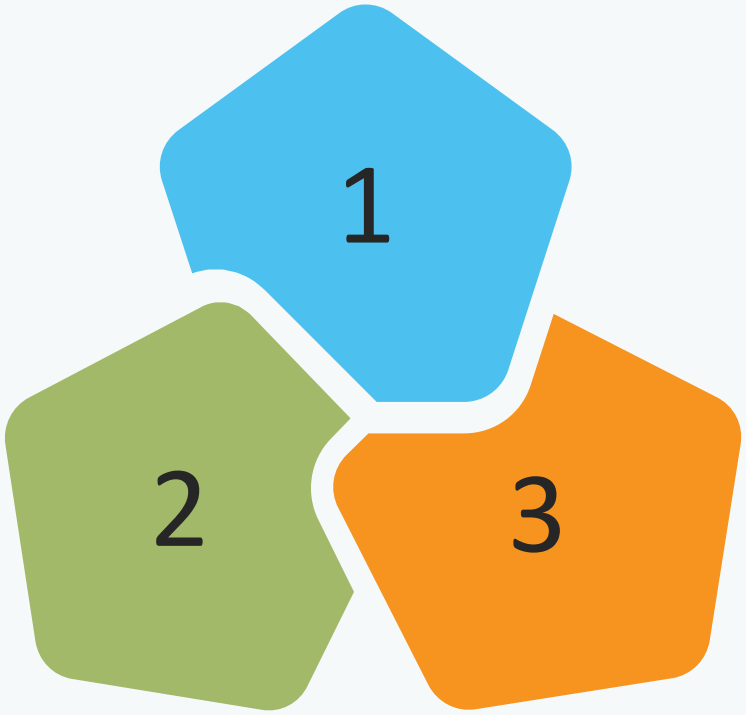
Executive summary

1 Segmented market

- The automobile sector is split into four segments, i.e., two-wheelers, three-wheelers, passenger vehicles, and commercial vehicles, each having few market leaders.
- In FY23, two-wheelers and passenger cars held a market share of 75% and 18%, respectively.
- India is the largest E2W and E3W manufacturer in the world.
- 17,51,393 two-wheeler units were sold in April 2024.

2 Growth prospects

- The Indian automotive industry is expected to reach US$ 300 billion by 2026.
- Strong policy support from the Government.
- India has ample growth potential for the passenger vehicle segment considering that at 24 per 1,000 India has the third lowest car penetration ratio among the top 13 markets. The world average stands at 314 per 1,000, implying a significant potential for growth.



3 Third-largest automobile market

- In March 2024, the total passenger vehicle sales reached 3,68,086.
- This sector's share of the national GDP increased from 2.77% in 1992–1993 to around 7.1% presently. It employs about 19 million people directly and indirectly.
- Presence of established domestic and international original equipment manufacturers (OEMs).
- Strong market in terms of domestic demand and exports.

Sources: *SIAM*
Notes: **BMW, Mercedes, JLR & Volvo Auto data are not available. Tata Motors Domestic Sales data included only in this document. However, without Tata Motors, 'Total PV' would 2,87,746 for April 2024*

Advantage India

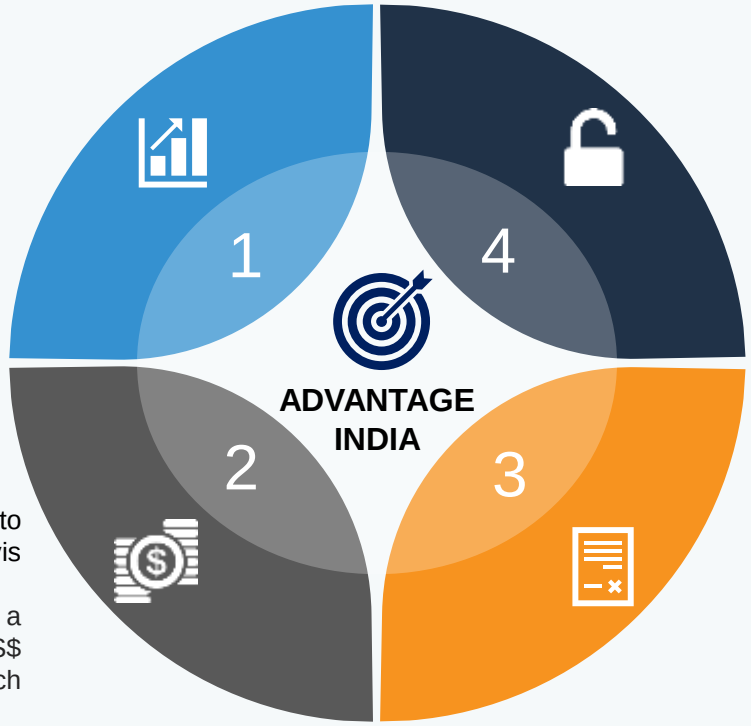
Advantage India

1 Growing demand

- Rise in middle-class income and young population may result in strong growth.
- The Indian automotive industry is targeting to increase the export of vehicles by five times during 2016-26.
- In April 2024, the total production of passenger vehicles*, three-wheelers, two-wheelers, and quadricycles was 23,58,041 units.
- In FY24, total automobile exports from India stood at 45,00,492.
- The global EV market was estimated at approximately US$ 250 billion in 2021 and by 2028, it is projected to grow by 5 times to US$ 1,318 billion.

2 Rising Investments

- India has significant cost advantages. Auto firms save 10-25% on operations vis-a-vis Europe and Latin America.
- The automobile sector received a cumulative equity FDI inflow of about US$ 36.268 billion between April 2000 - March 2024.
- India is on track to become the largest EV market by 2030, with a total investment opportunity of more than US$ 200 billion over the next 8-10 years.



4 Opportunities

- Focus shifting on electric cars to reduce emissions.
- Government aims to transform India into an R&D hub.
- India could be a leader in shared mobility by 2030, providing opportunities for electric and autonomous vehicles.
- The electric vehicles industry is likely to create five crore jobs by 2030.
- By 2030, the Indian government has committed that 30% of the new vehicle sales in India would be electric.

3 Policy support

- Automotive Mission Plan 2016-26 is a mutual initiative by the Government of India and the Indian automotive industry to lay down the roadmap for the development of the industry.
- The Government aims to develop India as a global manufacturing centre.
- The FAME Scheme was extended for a further period of 2 years up to March 31st, 2024.

Notes: **Data except for BMW, Mercedes, JLR, Tata Motors & Volvo Auto*
Sources: *Automotive Mission Plan (2016-2026), Make in India, SIAM, ICRA, Federation of Automobile Dealers Association, News Article, DPIIT*

Market Overview

Evolution of the sector

Before 1982

- Closed market
- 5 players
- Long waiting periods & outdated models
- Seller's market

1983-1992

- Indian Government & Suzuki formed Maruti Udyog and commenced production in 1983.
- Component manufacturers entered the market via a joint venture (JV).
- Buyer's market.

1992-2020

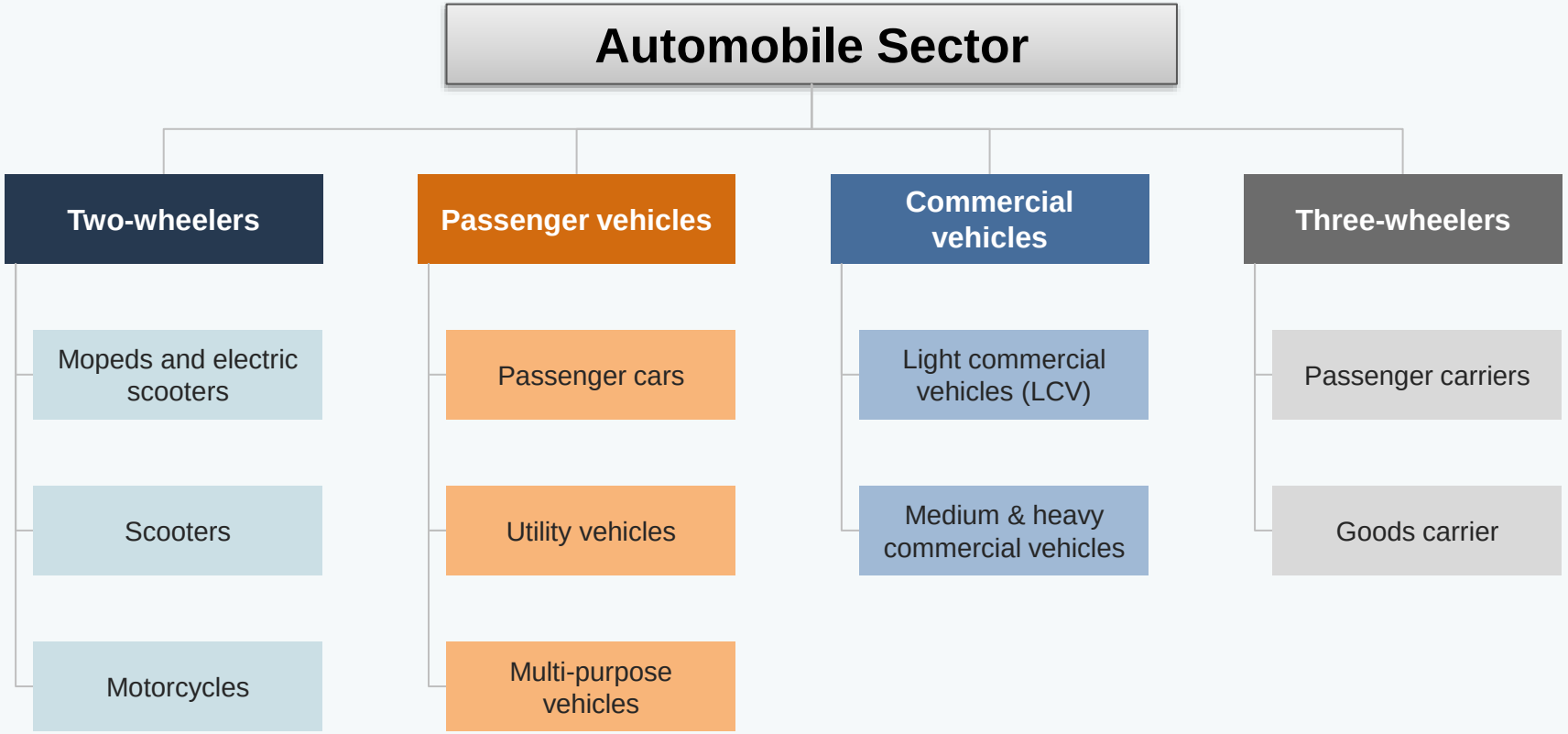
- Sector de-licensed in 1993.
- Major OEMs started assembly operations in India.
- Imports permitted from April 2001.
- Introduction of value-added tax in 2005.
- Automotive Mission Plan 2016-26 launched in 2015.
- Bharat Stage (BS) IV emission norms used since April 2017, and BSVI norms adopted from April 1, 2020.

2020 Onwards

- In April 2024, three-wheeler sales stood at 49,116 units while two-wheeler sales stood at 17,51,393 units.
- In FY24, total commercial vehicle sales stood at 9,67,878 units, three-wheeler sales stood at 6,91,749 units and two-wheeler sales stood at 1,79,74,365 units.

Sources: *Tata Motors, Society of Indian Automobile Manufacturers (SIAM)*

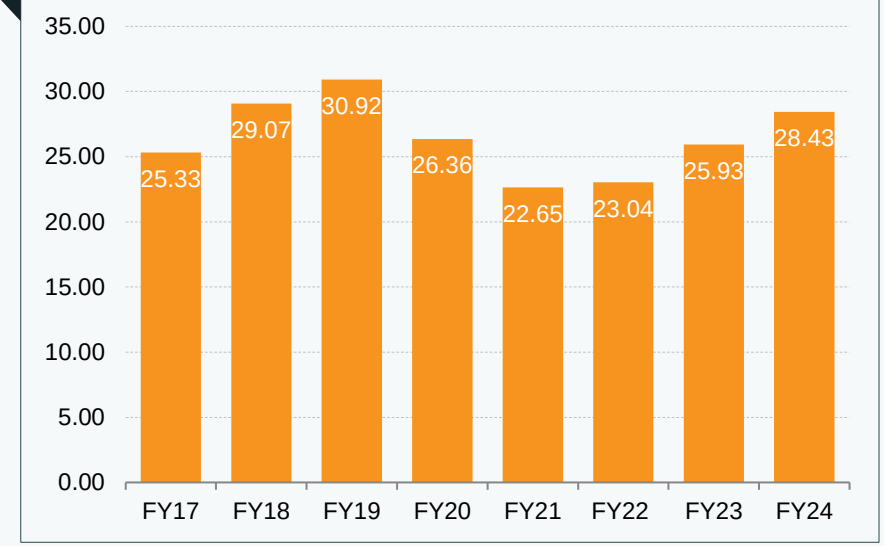
Market overview



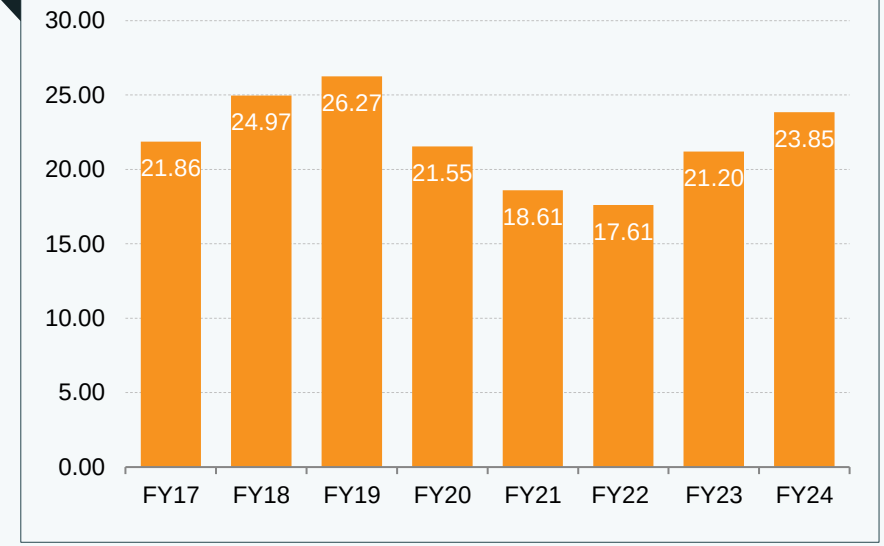
Source: *Society of Indian Automobile Manufacturers (SIAM)*

Market overview

Number of Automobiles Produced in India (in million)



Number of Automobiles Sold in India (in million)

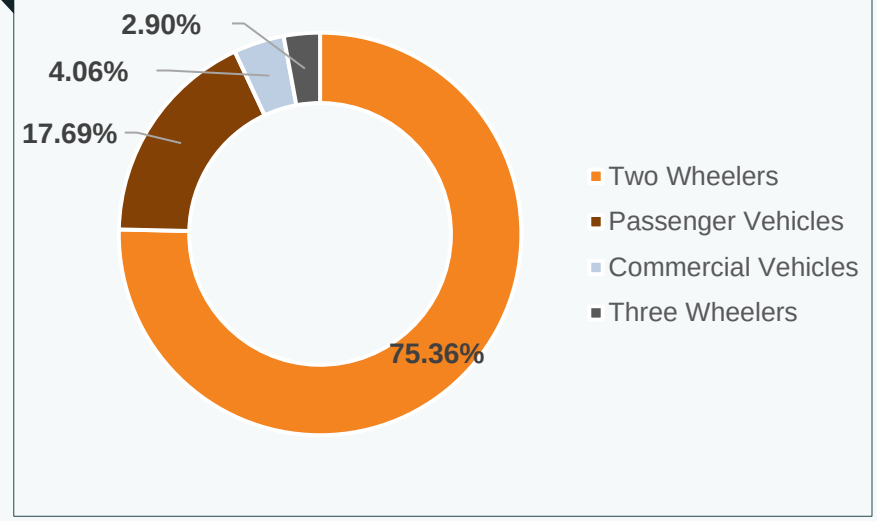


- The automotive manufacturing industry comprises the production of commercial vehicles, passenger vehicles, three-wheelers, and two-wheelers.
- In April-March FY24, the total production of passenger vehicles, commercial vehicles, three-wheelers, two-wheelers, and quadricycles was 2,84,34,742 units.
- India accomplished a significant milestone, with the sale 16,77,491 EVs in FY24.
- CY 2023 was satisfactory for Automobile Sector after recovering from the effects of the COVID-19 pandemic, posting single-digit growth across Passenger Vehicles, Commercial Vehicles, and Two Wheelers, along with a notable recovery in Three Wheelers, aided by supportive government schemes. The Indian auto industry anticipates continued growth in FY24 as well.
- A report by India Energy Storage Alliance estimated that the EV market in India is likely to increase at a CAGR of 36% until 2026. In addition, a projection for the EV battery market is forecast to expand at a CAGR of 30% during the same period.

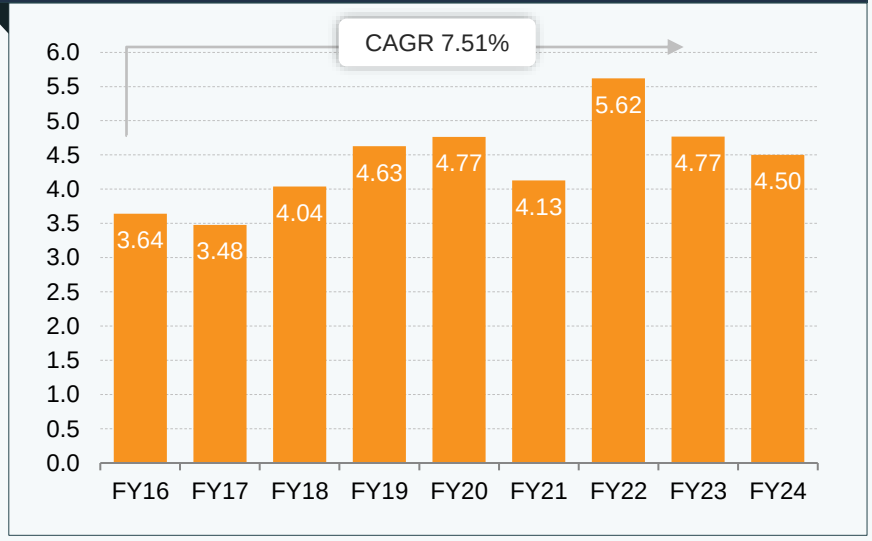
Source: *Society of Indian Automobile Manufacturers (SIAM), The Economic Times*

Market overview

Segment-wise Domestic Market Share in FY23 (%)



Number of Automobiles Exported (in millions)



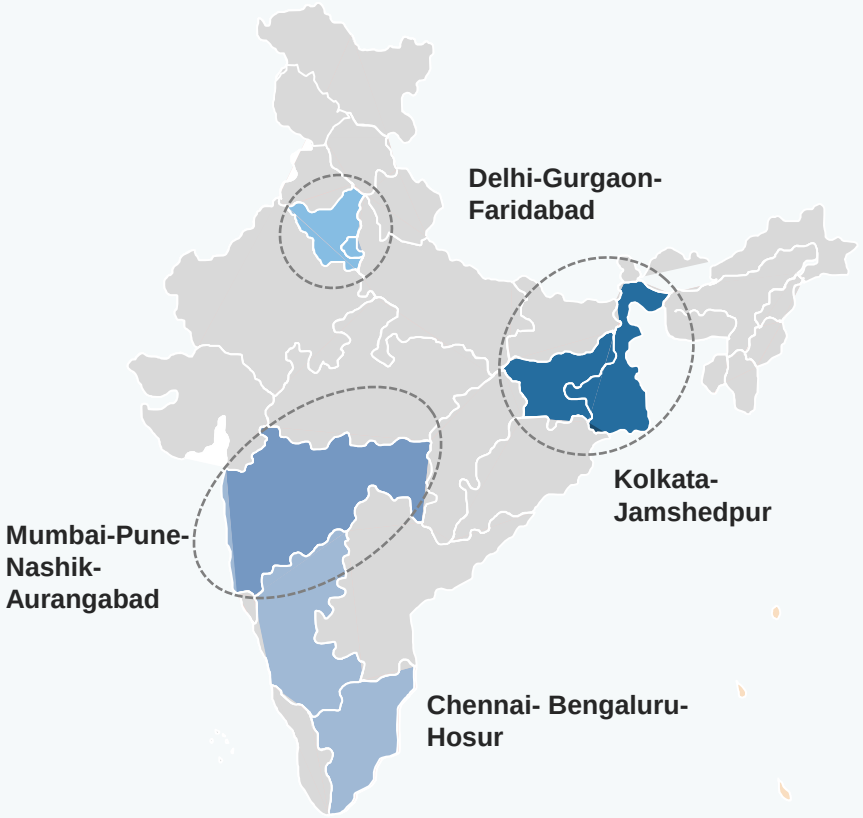
- Two-wheelers and passenger vehicles dominate the domestic Indian auto market. Passenger car sales are dominated by small and midsized cars. Two-wheelers and passenger cars accounted for 75.36% and 17.69% of market shares, respectively, in FY23.
- Indian automobile exports of two-wheelers stood at 34,58,416 in FY24.

Indian Car Sales Figures - April 2024

PV OEM	April 2024	April 2023	Market Share (%) Jan 24
Maruti Suzuki	1,36,915	1,11,004	40.86%
Hyundai	48,050	42,803	14.34%
Tata Motors	45,930	41,990	13.71%
Mahindra	36,775	30,859	10.97%
KIA Motors	19,114	17,061	5.70%

***Source**: Society of Indian Automobile Manufacturers (SIAM), Federation Of Automobile Dealers Associations (FADA), News Article*

Clusters and leading companies



List of Companies				
North	Ashok Leyland Force Motors Piaggio Swaraj	Mazda Amtek Auto Eicher Honda SIEL Maruti Suzuki	Tata Motors Bajaj Auto Hero Group Escorts ICML	JCB Yamaha Mahindra Suzuki Motorcycles
West	Ashok Leyland Bajaj Auto FIAT M&M	Eicher Skoda Bharat Forge Tata Motors	Volkswagen Renault-Nissan John Deere Mercedes	Benz Tata Hitachi Volvo Eicher
East	TataMotors Hindustan Motors Simpson & Co	International Auto Forgings JMT Exide		
South	Ashok Leyland M&M Toyota Kirloskar Volvo	Sundaram Fasteners Enfield Hyundai BMW Bosch	TVS Motor Company Renault-Nissan TAFE Daimler	Caterpillar Hindustan Motors

Over the past few years, four specific regions in the country have become large auto manufacturing clusters, each having a different set of players.

Sources: *ACMA*

Key players

Each segment in the Indian automobiles sector have few established key players, who hold a major portion of the market.

1 PASSENGER VEHICLES

- In April 2024, total passenger vehicle sales reached 3,35,123.
- In April 2024, Maruti Suzuki was the top passenger vehicle seller with 1,36,915 passenger vehicle units sold.

2 COMMERCIAL VEHICLES

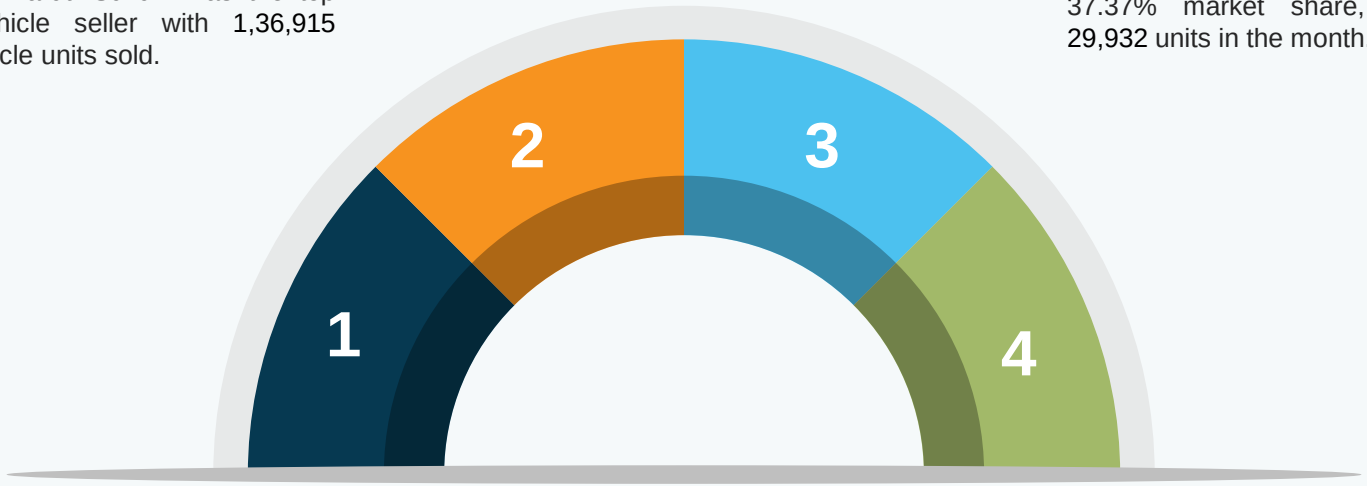
- In April 2024, commercial vehicles domestic sales stood at 90,707 units.
- In April 2024, Tata Motors sold 32,194 commercial vehicles, the highest in the segment, which gave it a market share of 35.49%

3 TWO-WHEELERS

- In April 2024, Hero MotoCorp sold 5,11,599 two-wheelers, the highest in the segment, which gave it a market share of 31.13%.

4 THREE-WHEELERS

- In April 2024, Bajaj Auto was the leader in the three-wheeler category with a 37.37% market share, having sold 29,932 units in the month.



Source: *SIAM, FADA*

Recent Trends and Strategies

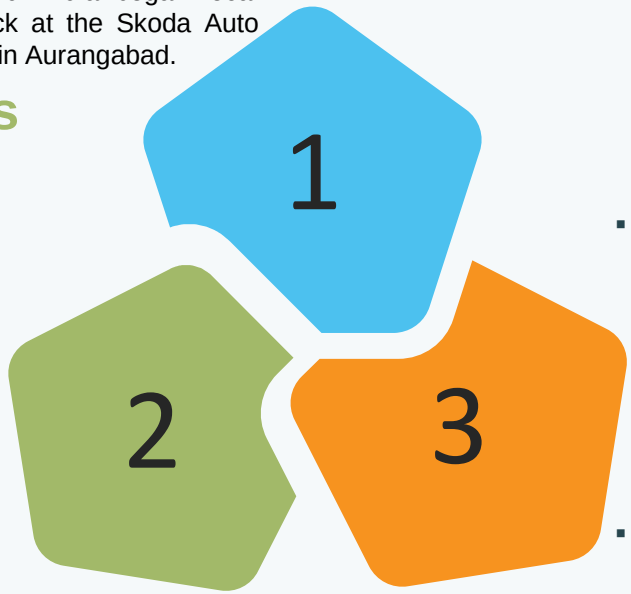
Recent trends

1 Luxury vehicles

- The luxury car market registered sales of 42,731 units in 2023.
- In April 2024, Mercedes-Benz sold 1,522 luxury cars, the highest in the segment, which gave it a market share of 0.45%. BMW sold 1,185 cars in April 2024.
- The BMW X1 was the highest-selling luxury car in the Indian market in 2023.
- In February 2023, German luxury car maker Audi India began local production of the Audi Q3 and Audi Q3 Sportback at the Skoda Auto Volkswagen India Private Limited (SAVWIPL) plant in Aurangabad.

2 Catering to Indian needs

- Most firms including Kia Motors and Volkswagen have adapted themselves to cater to the large Indian middle-class population by dropping their traditional structure and designs. This has allowed them to compete directly with domestic firms, making the sector highly competitive.
- Tata Motors introduced the Ace Gold Petrol CX in July 2021, which is India's cheapest, most compact commercial four-wheeler vehicle, starting at Rs. 3.99 lakh (US$ 5,362). For this, it has partnered with the State Bank of India to provide up to 90% financing of on-road pricing, with monthly EMIs starting at Rs. 7,500 (US$ 101).
- In August 2023, Toyota unveiled the world's first BS-VI stage II compliant, electrified flex-fuel vehicle, Toyota Innova, running entirely on ethanol, a renewable fuel sourced from plant materials commonly derived from crops such as sugarcane, corn, and maize.



3 New financing options

- In April 2024, Tata Motors, has signed a Memorandum of Understanding (MoU) with South Indian Bank to offer convenient financing solutions to its commercial vehicle customers and dealerships.
- In January 2024, Renault India joined hands with Bajaj Finance to offer financing solutions to its customers with the introduction of Flexi Pay Scheme, digital-first experience, including up to 100% on-road funding, with turnaround time of 30 minutes.
- According to NITI Aayog and Rocky Mountain Institute (RMI), India's EV finance industry is likely to reach Rs. 3.7 lakh crore (US$ 50 billion) in 2030.

  In August 2023, Maruti Suzuki India Limited (MSIL) introduced an instant loan feature, HDFC 'Xpress Car Loans', on its Smart Finance platform to meet the evolving need of the digital savvy customers.
- Tata Motors partnered with Bank of Maharashtra to introduce the 'Maha Super Car Loan scheme', offering up to 90% financing for salaried and self-employed individuals, professionals, businessmen, and agriculturists, and up to 80% for corporate clients.

Sources: *News Articles*

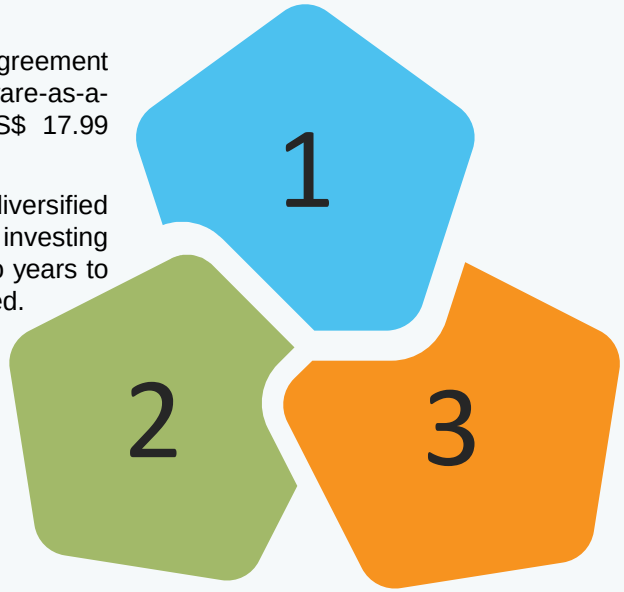
Strategies adopted

1 Capacity addition

- Indian carmakers committed US$ 10 billion to add a new capacity of 2.2 to 3 million units.
- In November 2023, Tata Motors inaugurated its state-of-the-art Registered Vehicle Scrapping Facility in Chandigarh.
- In October 2023, Hero MotoCorp inaugurated its first state-of-the-art premium dealership in India.
- In October 2023, Tata Motors signed a definitive agreement to acquire a 27% stake in Freight Tiger, a software-as-a-service (SaaS) company, for Rs. 150 crore (US$ 17.99 million).
- Two-wheeler EV maker HOP Electric Mobility, a diversified business venture of Rays Power Infra, is looking at investing Rs. 100 crore (US$ 13.24 million) over the next two years to expand manufacturing capacity for its EVs committed.

2 Electric vehicles

- The electric vehicle (EV) market is estimated to reach Rs. 50,000 crore (US$ 7.09 billion) in India by 2025.
- India accomplished a significant milestone, with the sale of 8,47,439 EVs in FY24 (till August 2023). A y-o-y growth of 209.17% was witnessed with 1.02 million registered EVs in FY23, as compared to FY22.
- In January 2024, VinFast and Tamil Nadu Govt. signed a MoU to invest US$ 2 billion for an EV project in Thoothukudi, with US$ 500 million committed for the first phase, targeting 150,000 units annually.



3 Launch of new models

- In May 2024, Tata Motors launched all-new Ace EV 1000 to strengthened its e-cargo mobility solutions.
- In May 2024, Maruti Suzuki launches Epic New Swift with all-new Z-Series engine
- In April 2024, Mahindra launches the XUV 3XO – the 'New Disruptor' in compact SUVs.
- In February 2024,Mahindra launches Thar Earth Edition: Iconic style inspired by the inimitable landscapes of the mighty Thar Desert
- In February 2024, Tata Motors launched Tiago and Tigor iCNG AMT – India's 1st AMT CNG Cars.
- In January 2024, Tata Passenger Electric Mobility Ltd (TPEM), a subsidiary of Tata Motors launched its first pure EV – the Punch.ev.
- In September 2023, Honda Cars India introduced its inaugural compact SUV - Elevate, marking a notable entry into a segment highly favored by Indian consumers.
- In January 2023, Tata Motors showcased Tata Altroz CNG at the Auto Expo 2023.

Sources: *News Articles*

Growth Drivers and Opportunities

Policies and initiatives…(1/2)

1

NATRIP

- Setting up of R&D centres at a total cost of US$ 388.5 million to enable the industry to be on par with global standards.
- Under National Automotive Testing and R&D Infrastructure Project (NATRIP), five testing and research centres have been established in the country since 2015.

2

Production-linked Incentive (PLI) Scheme

- In January 2024, the Ministry of Heavy Industries extended the tenure of the Production Linked Incentive (PLI) Scheme for Automobile and Auto Components by one year. The incentive will now be applicable for a total of five consecutive financial years, until March 31, 2028.
- In September 2021, the Indian government issued a notification regarding a PLI scheme for automobile and auto components worth Rs. 25,938 crore (US$ 3.49 billion). This scheme is expected to bring investments of over Rs. 42,500 (US$ 5.74 billion) by 2026.
- The Union Cabinet outlaid Rs. 57,042 crore (US$ 7.81 billion) for the automobiles & auto components sector under the Department of Heavy Industries.
- In November 2021, under the production-linked incentive (PLI) scheme for automobiles, the Union Government added >100 advanced technologies, including alternate fuel systems such as compressed natural gas (CNG), Bharat Stage VI compliant flex-fuel engines, electronic control units (ECU) for safety, advanced driver assist systems and e-quadricycles.
- In May 2021, the Central Government approved a PLI scheme for manufacturing Advanced Chemistry Cells (ACC) with a budget of Rs. 18,100 crore (US$ 2.33 billion). In March 2022, four firms, namely Reliance New Energy Solar Limited, Ola Electric Mobility Private Limited, Hyundai Global Motors Company Limited, and Rajesh Exports Limited, were elected to receive the incentives.

3

The Automotive Mission Plan 2016-26 (AMP 2026)

- AMP 2026 targets a four-fold growth in the automobile sector in India which include manufacturers of automobiles, auto components and tractors over the next 10 years.

Sources: *News Articles*

Policies and initiatives…(2/2)

4

FAME

- Ministry of Heavy Industries (MHI) officials revealed that India plans to launch a new scheme to incentivise electric vehicle purchases and improve charging infrastructure, aligning with the interim budget's focus on eco-friendly transportation. Also, the allocation of Rs. 2671.33 crore (US$ 321.5 million) for 2024-25 is expected to be utilized by March 31, 2024.
- The Government approved FAME and plans to cover all vehicle segments and all forms of hybrid & pure EVs. FAME-I was extended until March 31, 2019.
- In February 2019, the Government of India approved FAME-II scheme with a fund requirement of Rs. 10,000 crore (US$ 1.2 billion) for FY20-22. The Centre approves US$ 97.77 million (Rs. 800 crore) for 7,432 public fast charging stations under the FAME Scheme Phase II. The FAME Scheme was extended for a further period of 2 years up to March 31st, 2024.

5

Clean Tech Scheme

- The Indian government has planned ~US$ 3.5 billion in incentives over a five-year period until 2026 under a revamped scheme to encourage production and export of clean technology vehicles.

6

Flex-fuel Engines

- In September 2021, Minister of Road Transport and Highways, Mr. Nitin Gadkari, announced that government is planning to make it mandatory for car manufacturers to produce flex-fuel engines after getting the required permissions from the Supreme Court of India.

7

Ethanol Blending

- In July 2022, the Government amended the National Policy on Biofuels – 2018. The target of 20% blending of ethanol in petrol and 5% blending of biodiesel in diesel by 2030 was brought forward to 2025-26.

8

Battery Waste Management Rules, 2022

- Ministry of Environment, Forest and Climate Change, Government of India published the Battery Waste Management Rules, 2022 on August 24th, 2022 for environmentally sound management of waste batteries, including EV batteries.
- On October 25, 2023, the Ministry of Environment, Forest, and Climate Change issued a notable notification introducing the Battery Waste Management (Amendment) Rules, 2023, which impose fresh obligations and duties on battery producers, recyclers, and refurbishers.

Sources: *News Articles*

Policies and initiatives…(3/3)

9

Electric Mobility Promotion Scheme

- Ministry of Heavy Industries, Government of India with the approval of Department of Expenditure has launched Electric Mobility Promotion Scheme 2024 to further accelerate the adoption of EVs in the country which is a fund limited scheme with a total outlay of Rs. 500 crore (US$ 59.91 million) for the period of 4 months, from 1st April 2024 to 31st July 2024.

Sources: *News Articles*

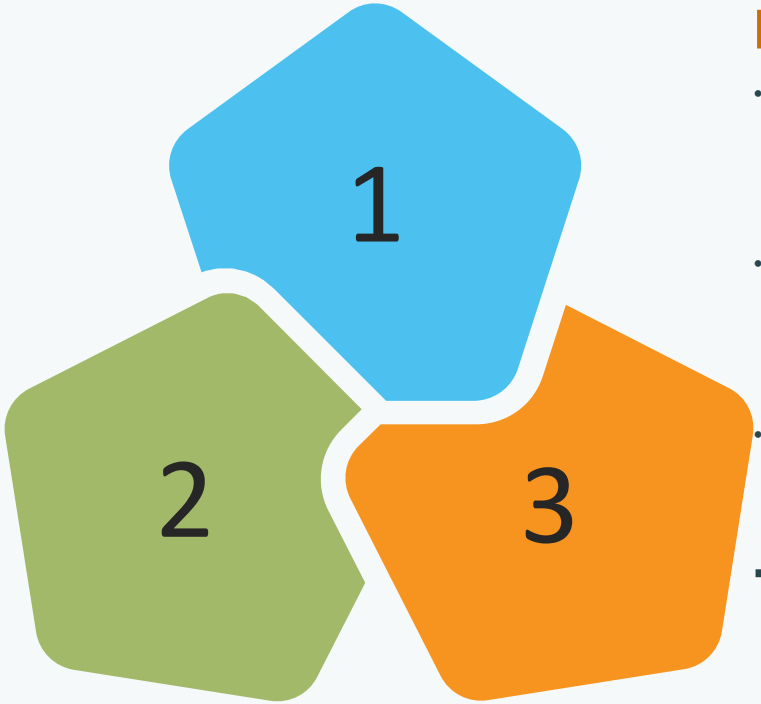
Growth drivers

1 Policy support

- Initiatives like Make in India, the Automotive Mission Plan 2026, and NEMMP 2020 will give a huge boost to the sector.
- The government introduced a battery-swapping policy, which will allow drained batteries to be swapped with charged ones at designated charging stations, thus making EVs more viable for potential customers.
- To install electric vehicle supply equipment (EVSE) infrastructure for EVs, various public sector firms, ministries, and railways have come together to create infrastructure, and manufacture components.

2 Growing demand

- Rising income and a growing young population.
- Greater availability of credit and financing options.
- Demand for commercial vehicles increasing due to the high level of activity in the infrastructure sector.



3 Support infrastructure and high investment

- Under Electric Mobility Promotion Scheme 2024 government aims to support 3,72,215 EVs including e-2W (3,33,387) and e-3W (38,828 including 13,590 rickshaws & e-carts and 25,238 e-3W in L5 category).
- Under phase-II of FAME India Scheme, subsidy amounting to US$ 696.8 million (Rs. 5790 crores) has been awarded to EV manufacturers on sale of 13,41,459 number of electric vehicles till January 31, 2024.
- Ola Electric IPO to be the first auto company in India to launch an IPO in over two decades (20 years). It has an expected size of Rs. 8,500 crore (US$ 1.01 billion).
- In April 2023, Power Finance Corporation Ltd (PFC) approved a Rs. 633 crore (US$ 76.39 million) loan for 5,000 passenger EVs and 1,000 cargo EVs.
- In March 2023, the Central Government sanctions Rs. 800 crore (US$ 72.41 million) under FAME India Scheme Phase II to Indian Oil (IOCL), Bharat Petroleum (BPCL), and Hindustan Petroleum (HPCL), for setting up 7,432 public fast charging stations across the country.

Note: *NEMMP - National Electric Mobility Mission Plan*

Source: *Society of Indian Automobile Manufacturers (SIAM), Union Budget 2022-23, News Articles*

Investment scenario (1/4)

The Indian automobile sector witnessed an inflow of huge investments from domestic and foreign manufacturers.

1

Tata Motors

- In March 2024,Tata Motors Group has signed a facilitation Memorandum of Understanding (MoU) with the Government of Tamil Nadu to explore setting-up of a vehicle manufacturing facility in the state. The MoU envisages an investment of Rs. 9,000 crores (US$ 1,081.6 million) over 5-years .
- Tata Motors, in April 2024, announced the inauguration of a new commercial vehicle spare parts warehouse in Guwahati.
- In December 2023, Tata Passenger Electric Mobility Ltd. (TPEM) and Bharat Petroleum Corporation Limited (BPCL) signed an MoU to jointly establish 7,000 public charging stations nationwide to enhance customer satisfaction.

2

Maruti Suzuki India (MSI)

- In April 2024, Maruti Suzuki India Limited, commissioned another vehicle assembly line at its Manesar facility.
- In January 2024, at the Vibrant Gujarat Global Summit, Maruti Suzuki announced the investment plans in Gujarat with a New Greenfield plant and a fourth line in SMG.
- In December 2023, Maruti Suzuki India Limited entered into an agreement with the Government of Haryana to establish the second Japan-India Institute for Manufacturing (JIM) as part of its corporate social responsibility (CSR) initiative. The company will invest Rs. 5.8 crore (US$ 698 thousand) to upgrade the existing ITI Kansala into a JIM.
- In May 2023, Maruti Suzuki India plans to invest over US$ 5.5 billion to double capacity by 2030.

3

NISSAN

- In July 2023, Renault Nissan to invest Rs. 1.4 crore (US$ 1,68,762.86) to upgrade infrastructure at eight schools near Chennai.
- In February 2023, Nissan and Renault plan to invest US$ 600 million in India over the next 3-5 years to expand their market share in passenger cars and electric vehicles.
- In July 2021, Nissan initiated a feasibility study to manufacture electric vehicles in India. If the study is positive when it is concluded in a year, Nissan may end up producing EVs in India for local sales and exports.

Source: *Media Sources, Company Website*

Investment scenario (2/4)

4

Hyundai Motor India

- In February 2024, company has announced it will invest over Rs. 32,000 crore (US$ 3.85 billion) from 2023 to 2033 in expanding its EV range and enhancing its current car and SUV platforms.
- In January 2024, Hyundai Motor India Limited announced Rs. 6,180 crore (US$ 743.8 million) investment plans in the state of Tamil Nadu including Rs. 180 crore (US$ 21.7 million) towards a dedicated 'Hydrogen Valley Innovation Hub,' in association with IIT- Madras.
- In January 2024, Hyundai Motor India Ltd. finalized the acquisition and transfer of specified assets at General Motors India's Talegaon Plant in Maharashtra and inked an MoU with the Government of Maharashtra committing to an investment of Rs. 6,000 crore (US$ 722 million) in the state.
- In May 2023, Hyundai Motor announced that it will invest over Rs. 20,000 crore (US$ 2.41 billion) in Tamil Nadu over the next 10 years to bolster its EV production.

5

MAHINDRA & MAHINDRA

- In January 2024, Mahindra & Mahindra Ltd. and the India-Japan Fund ("IJF"), managed by the National Investment and Infrastructure Fund Limited ("NIIF"), entered into a binding agreement, with IJF committing to invest Rs. 400 crore (US$ 48.1 million) in Mahindra Last Mile Mobility Limited (MLMML).
- In July 2023, Mahindra & Mahindra is in advanced talks with British International Investment (BII) and some other global investors to raise up to Rs. 5,000 crore (US$ 602.72 million) for its electric vehicles (EV) unit.
- In December 2022, Mahindra & Mahindra to invest Rs. 10,000 crore (US$ 1.2 billion) for an EV manufacturing plant in Pune.

6

SAIC

- In November 2023, SAIC Motor and JSW Group announced a strategic joint venture to accelerate growth with focus on green mobility.
- In January 2023, MG Motor India to invest US$ 100 million to expand capacity, eyes 70% growth in 2023.
- In March 2022, MG Motors, owned by China's SAIC Motor Corp, announced plans to raise US$ 350-500 million in private equity in India to fund its future needs, including EV expansion.
- As of February 2021, Chinese state-owned auto major SAIC Motor has invested almost US$ 400 million out of the US$ 650 million that it had committed to India. SAIC Motor sells its cars in India under its British subsidiary MG Motors.

Source: *Media Sources, Company Website*

Investment scenario (3/4)

7

Mercedes-Benz

- In January 2024, Mercedes-Benz is set to invest Rs 200 crore (US$24.04 million) in India in 2024 and is gearing up to introduce more than a dozen new cars, including EVs this year.
- In January 2023, Global chief executive officer (CEO) Mr. Ola Kallenius said that India was Mercedes-Benz's fastest-growing market worldwide in 2022 and plans on investing more.

8

Skoda Auto

- In February 2024, Klaus Zellmer CEO of Skoda Auto said India is the most promising growth market for Skoda Auto and Skoda Auto India is looking to increase its share in the Indian market to 5% by 2030.
- In August 2022, Volkswagen Group's Indian subsidiary, Skoda Auto Volkswagen India, has begun a feasibility study for its next phase of investment in India after rolling out its India 2.0 strategic plan

9

Hero MotoCorp

- In April 2024, Hero Motocorp said it has opened an assembly facility in Nepal in partnership with its distributor CG Motors with capacity of 75,000 units per annum.
- In December 2023, Hero MotoCorp announced a partnership with Ather Energy for an interoperable fast-charging network in India which will cover 100 cities with over 1900 fast-charging points.
- In June 2023, Hero MotoCorp to invest up to Rs. 1,500 crore (US$ 180.81 million) for developing premium bikes and EVs in India.

10

Kinetic Green

- In June 2023, Kinetic Green Energy and Power Solutions are planning to raise up to US$ 100 million by selling a 10-15% stake in the company to investors.
- In September 2022, Kinetic Engineering Limited (KEL) invested in Ahmednagar to set up a dedicated production line with an initial capacity of 5,000 sets per month.

Source: *Media Sources, Company Website*

Investment scenario (4/4)

11

TVS Motor

- In November 2023, TVS Motor announced its entry into the European market through a distribution agreement with Emil Frey, a renowned automotive distribution company with a century-long legacy.
- In July 2022, TVS Motor lines up fresh investments of Rs. 1,000 crore (US$ 121 million) in EV push.
- In November 2021, TVS Motor collaborated with Bahwan International Group to strengthen its presence in Iraq. As part of the deal, ARATA International FZC, a subsidiary of Bahwan International Group (BIG), will be the new distributor of TVS in Iraq.
- In November 2021, TVS Motor signed an MoU with the Tamil Nadu Government to invest Rs. 1,200 crore (US$ 159.33 million) to develop new EV technologies and expand their manufacturing capacity.

12

BYD

- In March 2024, BYD India, a subsidiary of the world's leading New Energy Vehicles (NEV) manufacturer, announced its entry into the luxury electric sedan segment with the launch of the BYD SEAL. BYD India currently has two products in its portfolio - the BYD ATTO 3 and the All-New e6, both of which have been very well received by Indian consumers.

13

VinFast

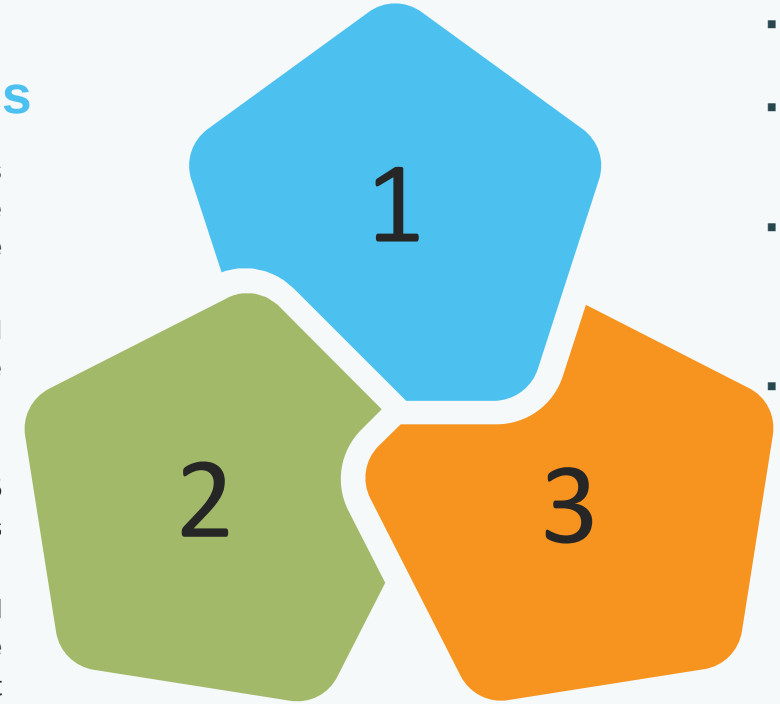
- In January 2024, VinFast and Tamil Nadu Govt. signed a MoU to invest US$ 2 billion for an EV project in Thoothukudi, with US$ 500 million committed for the first phase, targeting 150,000 units annually.

Source: *Media Sources, Company Website*

Opportunities

1 Opportunities for creating sizeable market segments through innovations

- Mahindra & Mahindra (M&M) is planning to implement innovative digital technology in the automobile business.
- Hyundai is planning to enter the hybrid vehicles segment to explore alternative fuel technology and to avail government incentives.
- In 2022, Tata Motors filed for 125 patents in India, the highest in its history.
- Tata Motors, filed for 158 patents and 79 designs in FY23, marking the highest number by an Indian OEM. It also received 71 patent grants during the fiscal year.



3 India is fast emerging as a global R&D hub

- Strong support from the Government; setting up of NATRIP centres.
- Private players such as Hyundai and Maruti Suzuki are keen to set up an R&D base in India.
- In January 2021, EV manufacturer Tesla set up an R&D centre in Bengaluru and registered its subsidiary as Tesla India Motors and Energy Private Limited.
- India accounts for 40% of global engineering and R&D spending of US$ 31 billion. The automobile sector accounts for 8% of the country's R&D spending.

2 Small car manufacturing hub

- Nissan and Toyota announced plans to make India their global hub for small cars.
- With Maruti Suzuki and Hyundai leading, the Indian passenger vehicle market is dominated by small cars.
- Strong export potential in ultra-low-cost cars segment (to developing & emerging markets).

Source: *Media Sources, Company Website*

Key Industry Contacts

Key Industry Contacts

Agency	Contact Information
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Automotive Research Association of India (ARAI)	Survey No. 102, Vetal Hill, off Paud Road, Kothrud, Pune - 411 038 P. B. No. 832, Pune - 411 004 Tel No. : +91 20-67621111 Fax No. : +91 20-67621104 E-mail: info@araiindia.com Website: www.araiindia.com
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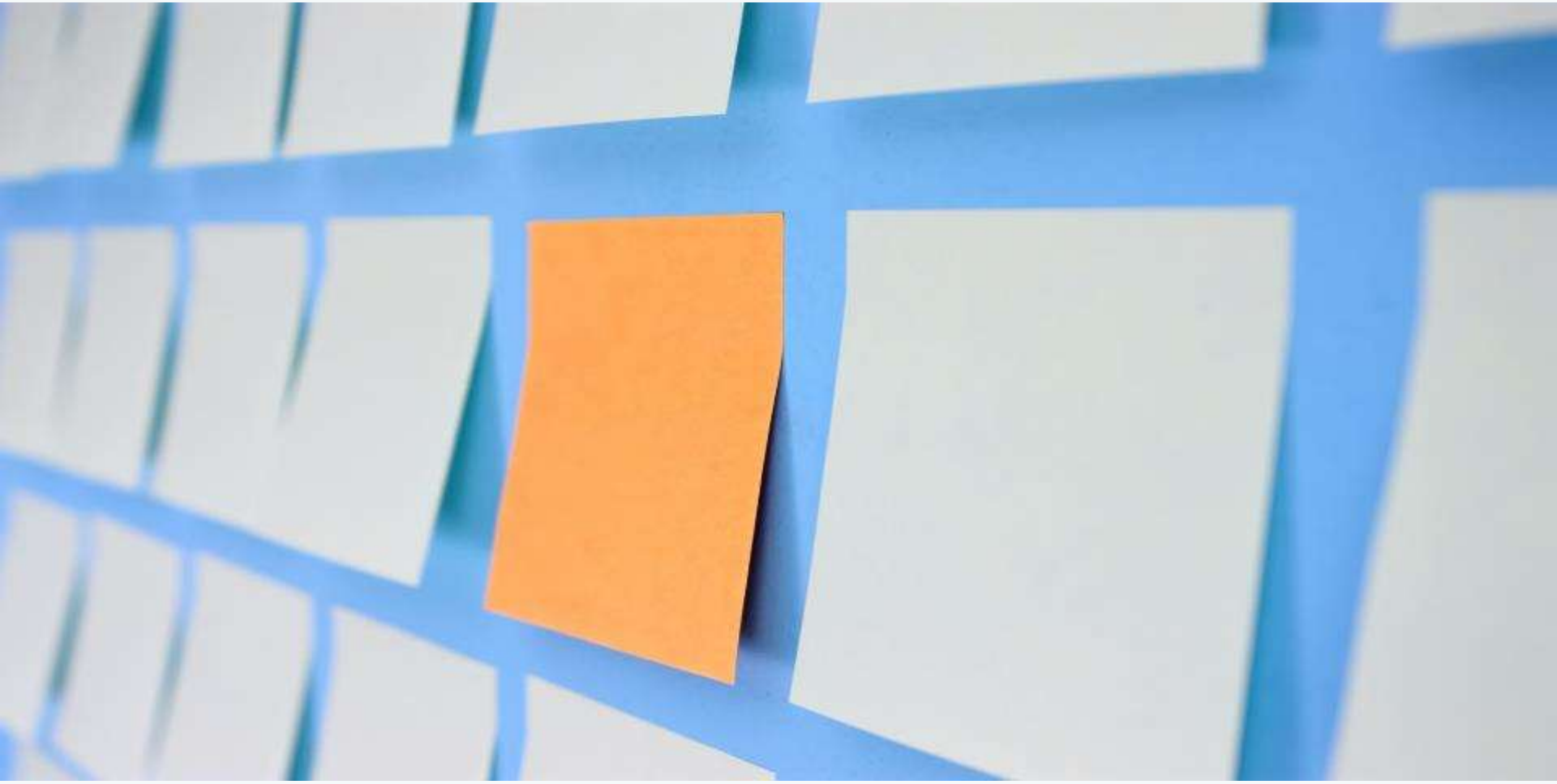
Appendix



Glossary

- CAGR: Compound Annual Growth Rate
- Capex: Capital Expenditure
- CENVAT: Central Value Added Tax
- EHTP: Electronic Hardware Technology Park
- EPCG: Export Promotion Capital Goods Scheme
- FDI: Foreign Direct Investment
- FY: Indian Financial Year (April to March); So, FY10 implies April 2009 to March 2010
- LCD: Liquid Crystal Display
- R&D: Research and Development
- US$: US Dollar
- Wherever applicable, numbers have been rounded off to the nearest whole number

Exchange rates

Exchange Rates (Fiscal Year)

Year	Rs. Equivalent of one US$
2004-05	44.95
2005-06	44.28
2006-07	45.29
2007-08	40.24
2008-09	45.91
2009-10	47.42
2010-11	45.58
2011-12	47.95
2012-13	54.45
2013-14	60.50
2014-15	61.15
2015-16	65.46
2016-17	67.09
2017-18	64.45
2018-19	69.89
2019-20	70.49
2020-21	73.20
2021-22	74.42
2022-23	78.60
2023-24	82.80

Exchange Rates (Calendar Year)

Year	Rs. Equivalent of one US$
2005	44.11
2006	45.33
2007	41.29
2008	43.42
2009	48.35
2010	45.74
2011	46.67
2012	53.49
2013	58.63
2014	61.03
2015	64.15
2016	67.21
2017	65.12
2018	68.36
2019	69.89
2020	74.18
2021	73.93
2022	79.82
2023	82.61
2024*	83.21

Note: **- Until April 2024*
Source: *Foreign Exchange Dealers' Association of India*

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