The Automotive Industry

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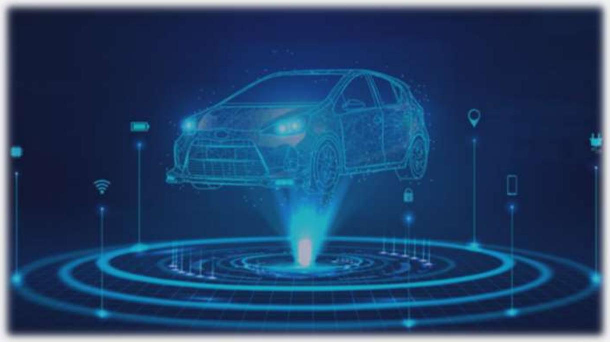
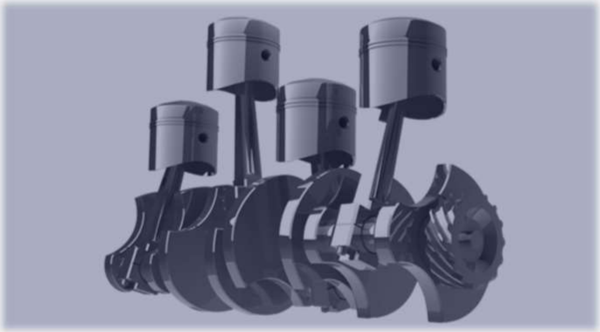
NATIONAL INVESTMENT PROMOTION AND FACILITATION AGENCY

Market Overview

Automotives, Auto Components and E-mobility





Sector Overview: Automobile

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India Rankings

1st largest manufacturer of 3W and tractors

2nd largest manufacturer of 2W

3rd largest manufacturer of passenger vehicles

3rd largest global automobile market

4th largest heavy trucks manufacturer

151 Bn*
Market Size in USD
(FY23)

7.1%
Contribution to GDP
(FY22)

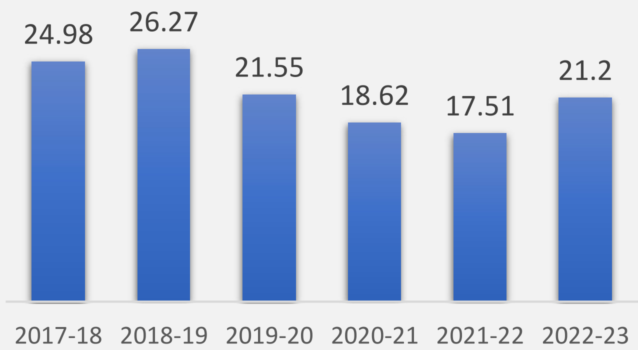
37 Mn
Employment generated
(Direct and Indirect Jobs)

300 Bn
Projected Market size in USD (By 2030)

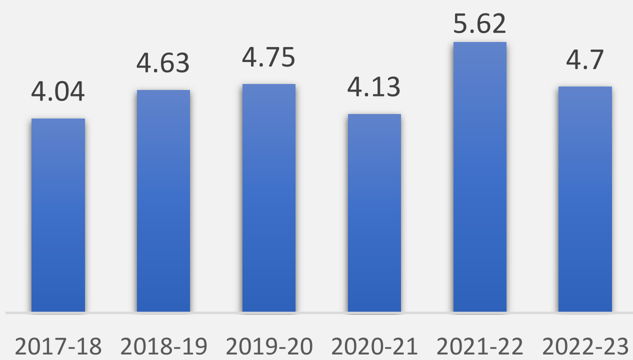
34.7 Bn
Cumulative FDI in USD
(April 2000-Mar 2023)

48.9 Mn
Vehicles produced
(Including 2W, 3W and quadricycles in FY21&FY22)

Domestic Sales (in Mn units)



Total Exports (in Mn units)



* The Projected market size is a combined for Auto component and Automotive

Automobiles: The Big Picture

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Automobile Industry in India

Global market valued at ~US$ 1.8 Tn with CAGR of 2.3% expected over the next 5 years

Indian Automobile market valued at US$105 Bn constituting ~3/4% of global market share in passenger vehicles and ~15% of global market share in Two Wheelers

Vehicle	India	Global	India as % of global
Passenger vehicle (Units)	4.6 Mn	70.5 Mn	6.3%
Commercial Vehicles (Units)	1.0 Mn	14.5 Mn	7.0%
Two-wheelers (Units)	19.5 Mn	55 Mn	35%
Three-wheelers (Units)	0.8 Mn	-	-

Automotive Exports from India: A growing trend

14% of passenger vehicles produced in India are exported

19% of two-wheelers produced in India are exported

8% of commercial vehicles produced in India are exported

43% of three-wheelers produced in India are exported

India Ambition 2030:

India as a global Innovation and Manufacturing hub

Ramp up EV production and become Aatma Nirbhar in EV technology and components

Vehicle export goals as a % of vehicle production:

	Today		2030
PV	14%	>>	25%
2W	19%	>>	30%
CV	8%	>>	20%

GoI Support and Initiatives

सत्यमेव जयते
Ministry of Heavy Industries
Government of India

Ministry of POWER
GOVERNMENT OF INDIA

सत्यमेव जयते
Ministry of Housing and Urban Affairs
Government of India

Ministry Of Road Transport And Highways
Government of India

Evolution of Auto, Auto Components and E-mobility

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2005
First Automotive Mission Plan 2006-16

2010
MNRE incentive scheme for Electric Vehicles

2012
National Electric Mobility Mission (NEMMP) 2020

2013
NEMMP roadmap for EV adoption and domestic manufacturing

2015
- FAME-I Policy for clean mobility
- Automotive Mission Plan-II 2016-26

2017
NITI Aayog Roadmap Transformative Mobility Solutions for all

2018
- Charging infrastructure guidelines for EVs
- GOI's target of 30% EV penetration by 2030

2019
FAME Phase-II launched

2021
- PLI for ACC and Auto
- 20+ States with EV policies
- FAME II extended to FY24

2022
- PLI for Niche ACC
- Battery swapping policy
- Battery waste management policy

Policy Support to the Auto and EV Ecosystem

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MHI

- FAME scheme
- FAME 2
- PLI for ACC & Niche ACC
- PLI for Auto and Auto components

MoRTH

- Voluntary vehicle scrappage policy

Ministry of Environment

- Batter Waste Management Policy

MoHUA

- Building Bylaws amended – provision of EV charging points

Ministry of Finance

- GST on EVs reduced from 12% to 5%
- Additional tax deduction of USD 1800 on interest paid on loans.

Niti Aayog

- E-Amrit portal
- Battery Swapping policy

With **NATRiP** GoI investing **USD 3.89 Bn** to build testing and R&D infrastructure in the country

Outlay of **USD 1.3 Bn** by **GoI** over a period of 3 years under **FAME-II Scheme**

Outlay of **USD 3.6 Bn** under **PLI Scheme for Auto and Auto components**

Outlay of **USD 2.5 Bn** under **PLI Scheme for Advanced Chemistry Cells**

GST reduction on Electric Vehicles 28% → 12% → 5%

Production Linked Incentive Scheme: ACC Battery Storage

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Scheme Highlights:

Announced:

June 9, 2021

Budgetary Outlay:

USD 2.5 Bn over a period of 5 years

Aims and Objectives:

- To establish competitive ACC battery set-up in India
- To build cumulative manufacturing capacity of **50 GWh** for ACC and additional **5 GWh** for 'Niche' technologies with higher performance parameters **(20 GWh still pending – to be reopened)**

Applicants selected for receiving Incentives

OLA ELECTRIC

Reliance New Energy Solar Ltd

RAJESH EXPORTS

20 GWh allotment opening soon

Incentives and mode of disbursement

- ✓ Cash Subsidy disbursement linked to per KWh of ACC sold. Value based bidding capped at USD 27.35/ KWh
- ✓ Incentives to be disbursed over a period of 5 years, to be paid out based on energy efficiency, sales, battery life cycle, and localization level

Eligibility and Qualification

- ✓ Manufacturing facility to be commissioned within a period of 2 years
- ✓ **Facility Capacity:** Minimum 5GWh; Cap of 20GWh
- ✓ **Value Addition:** At least 25% at mother unit level and minimum investment of USD 31 Mn / GWh within 2 years; minimum 60% overall domestic Value Addition to be reached within 5 years

Flow of Agreement Process

1. **Pre-bid Conferences**
2. **Technical Bid** – Value Addition, Scale of Production commitments
3. **Financial Bid** – Base cash-subsidy sought (per KWh ACC sold)
4. **Letter of Award**
5. **Tripartite Agreement** – Between beneficiary, central and State Government
6. **Programme Agreement** – For availing subsidy and specifying project details

Production Linked Incentive Scheme: Auto & Auto Components

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Scheme Highlights:

Announced: (Tenure: 27/28)

September 23, 2021

Budgetary Outlay:

USD 3.6 Bn

USD 4.90 Bn

Investments proposed in USD under

Champion OEM Incentive Scheme

USD 3.27 Bn

Investments proposed in USD under

Component Champion Incentive Scheme

Aims and Objectives:

- To boost domestic manufacturing of Advanced Automotive Technology products
- Overcoming cost disabilities, creating economies of scale and building a robust AAT value chain
- To attract investments and generate employment across the value chain

Incentives Offered

13-18% Incentives offered under **Champion OEM Incentive Scheme**

8-13% Incentives offered under **Component Champion Incentive Scheme**

5% Additional incentives for specified components of battery, electric vehicles and hydrogen fuel cell vehicles

50% Minimum value addition required

Total awardees: Champion OEM (18) and Components (67) Incentive Scheme

Key Japanese companies include -

FAME India Scheme

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Faster Adoption and Manufacture of (Hybrid &) Electric Vehicles:

Target to convert 30% of total transportation into electric vehicles by the year 2030 under **National Electric Mobility Mission Plan**

Phase 1

Focus Areas:

- **Demand Creation:** Upfront incentives for price reduction
- **Pilot Projects:** Grants Sanctioned
- **Public Charging Infrastructure**

45 Mn Incentives disbursed in USD

427 Charging Stations Installed

560 K Vehicles supported

Phase 2 (Valid till 2024)

Budgetary Outlay: **USD 1.25 Bn**

- Demand Incentives: USD 1.08 Bn
- Charging Infrastructure: USD 125 Mn

2,877 EV charging stations sanctioned across 68 cities

Scheme targets to support:

7,000	e-buses	0.5 Mn	e-3W
55,000	e-4W	0.5 Mn	e-2W

Vehicles fitted with only advanced chemistry battery, meeting **minimum technical criteria** eligible for incentives. Focus on electrification of public transportation and shared transportation.

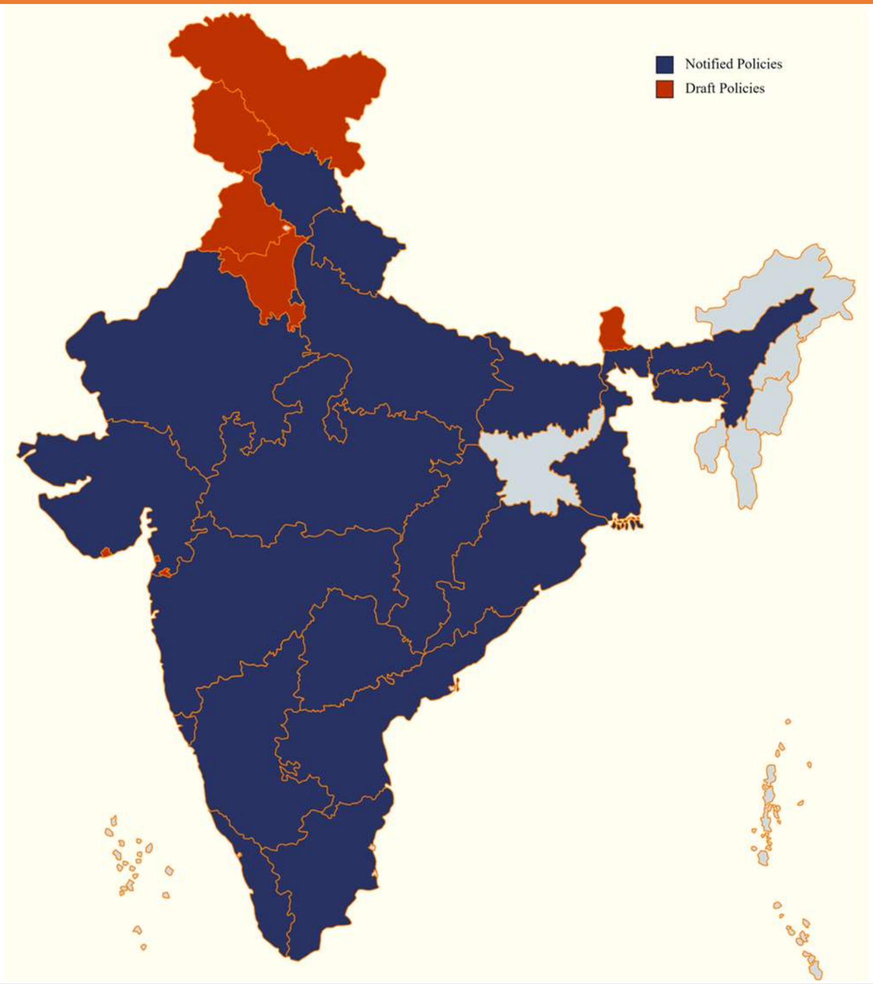
Scope of demand Incentives limited to:

- **Public Transportation**
- **Commercial 2W, 3W and 4W**
- **Privately owned e-2W**

Demand incentives offered of **USD 188/KWh** with a **cap of 40% of cost of vehicle,** enabling cost of e-2W to come at par with ICE 2W vehicle

Upfront demand incentives for consumer at the time of purchase of xEVs by way of paying reduced price

States with dedicated EV policies



Demand Incentives offered in the form of:

- ❑ Segment-wise subsidy incentives of up to Rs 10,000 per kWh
- ❑ Early bird discounts
- ❑ Scrappage benefits
- ❑ Road tax and registration fee waive off
- ❑ SGST amount reimbursement on purchase of EV

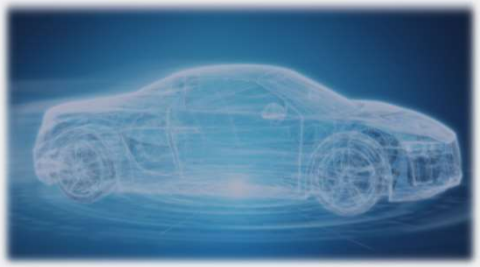
All these benefits offered over and above FAME incentives

Industry support offered through policies introducing:

- ❑ Land allocation for EV parks
- ❑ Setting up of incubation centers
- ❑ Subsidy offered on capital expenditure on land value
- ❑ Interest-free loans offered on GST paid to state
- ❑ Power subsidy
- ❑ State-specific Production Linked Incentives

Industry Clusters

Automotives, Auto Components, EV and Battery Manufacture




Industry Clusters: Automobiles

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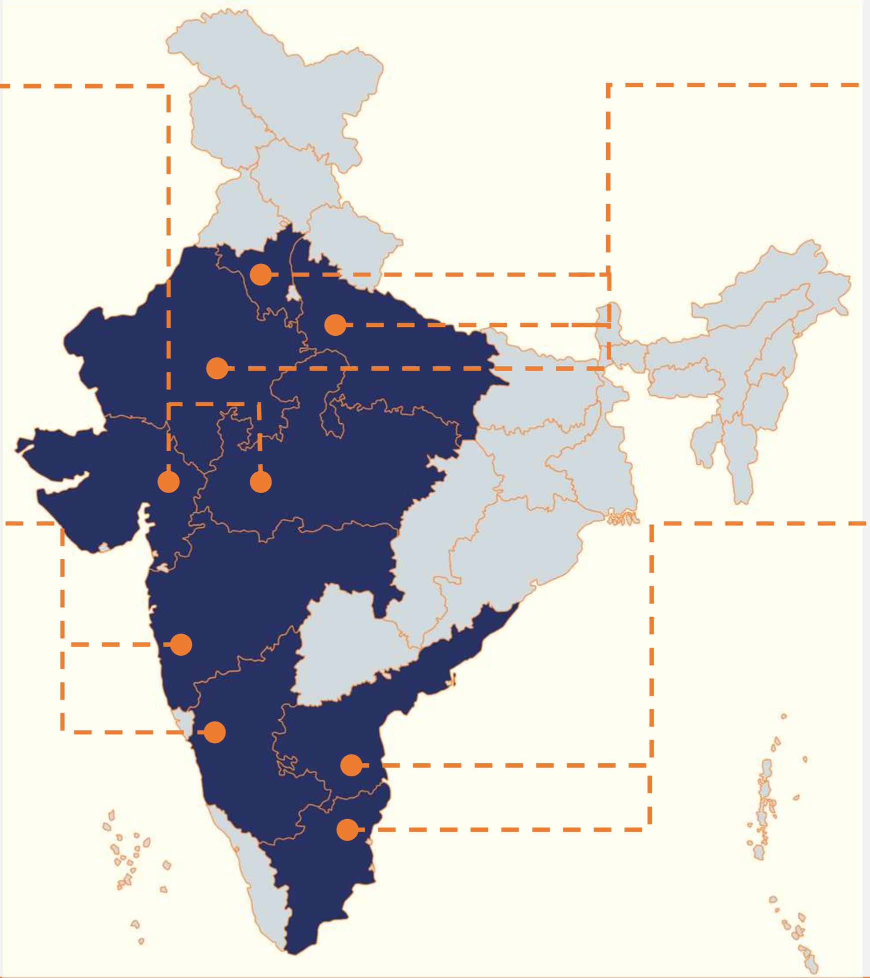

Gujarat
Madhya Pradesh

- ❑ CNH Industrial
- ❑ Honda
- ❑ John Deere
- ❑ SAC Motor
- ❑ Tata Motors
- ❑ VE Commercial Vehicles

Maharashtra
Karnataka

- ❑ Bajaj Auto
- ❑ Daimler
- ❑ FCA
- ❑ Force Motors
- ❑ Piaggio
- ❑ Scania AB
- ❑ Toyota
- ❑ Volkswagen
- ❑ Volvo Cars

Haryana
Rajasthan
Uttar Pradesh

- ❑ Eicher Motors
- ❑ Hero MotoCorp
- ❑ Honda
- ❑ JCB
- ❑ Maruti Suzuki
- ❑ New Holland Auto Group
- ❑ Yamaha Motor Company

Andhra Pradesh
Tamil Nadu

- ❑ Ashok Leyland
- ❑ BMW
- ❑ Hyundai Motor Company
- ❑ Isuzu Motors
- ❑ Kia Motors
- ❑ Peugeot
- ❑ Renault Group
- ❑ Royal Enfield
- ❑ TVS Motor Company
- ❑ Yamaha Motor Company

Industry Clusters: Auto Components

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Rajasthan - UP

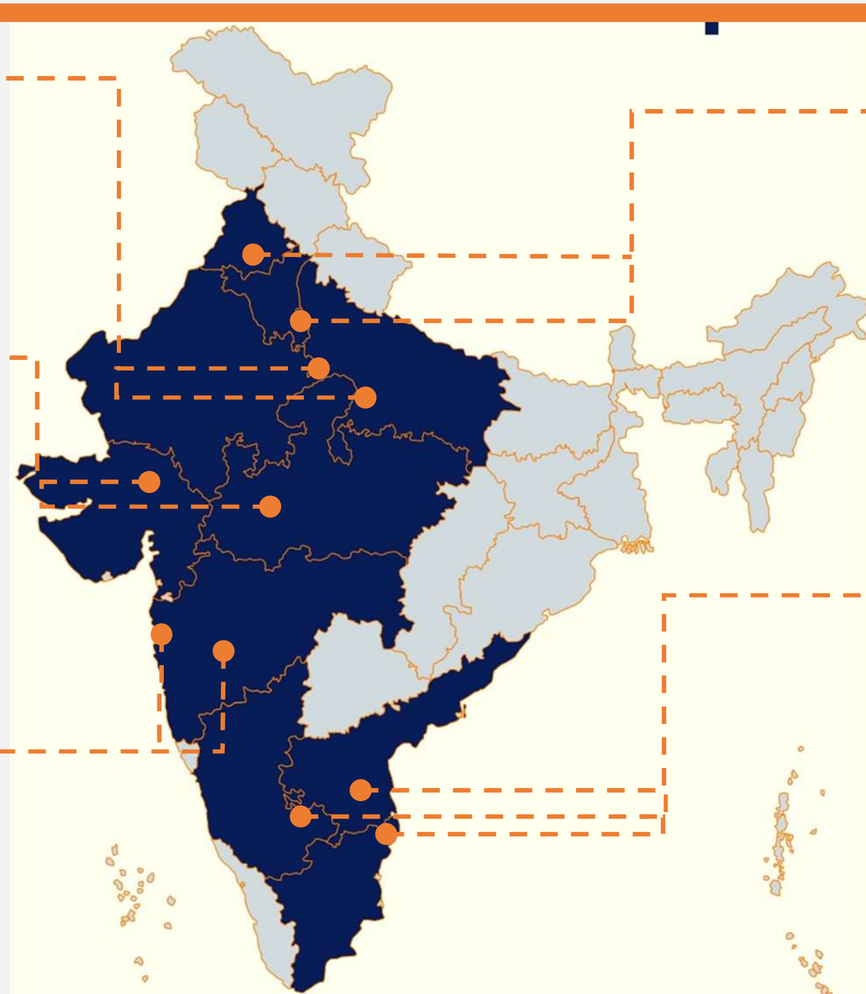
- Ashimori India
- Keihin
- Motherson Sumi
- Shriram Pistons and Rings

Gujarat
Madhya Pradesh

- Bosch Rexroth
- AMW Auto
- Bridgestone
- Lear Corporation
- Mahle
- Schaeffler
- Tata Precision Industries

Mumbai
Pune

- ZF Limited
- Autoliv
- Bosch
- Continental
- Dana



Punjab - NCR

- Denso
- Federal Mogul
- Hella Automotive
- JBM
- UnoMinda

Andhra Pradesh
Chennai
Bangalore

- Avtec
- ZF CVSL
- Borg Warner
- Valeo
- Delphi
- Hyundai Mobis
- Oerlikon

Industry Clusters: EV Manufacture

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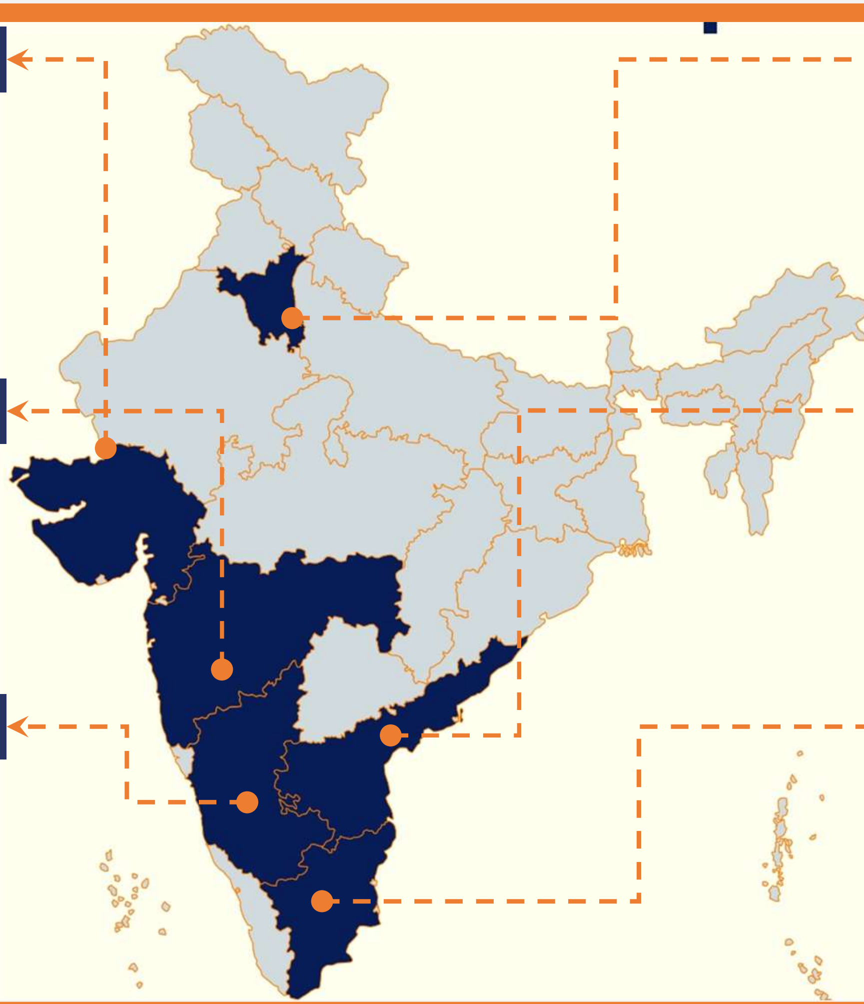

Gujarat

- Suzuki- Toshiba -Denso
- Trinity Energy Systems
- MG Motors

Maharashtra

- Tork Motors
- Kinetic Green Energy
- Piaggio Ape
- Bajaj Auto
- Jio-BP
- EVI Tech
- Octillion
- TATA Motors
- ION Energy
- Bharat Forge

Karnataka

- Toyota
- Go Green BOV
- Ather Energy
- SUN Mobility
- Bounce
- Mahindra Electric
- Emflux Motors
- ATI Motors
- Elest

Delhi NCR

- Gayatri EVs
- Exicom Power Solutions
- JBM Solaris
- 22Kymco
- Statiq
- Battery Smart

Andhra Pradesh

- Avera
- Kia Motors
- Ashok Leyland

Tamil Nadu

- BYD-Olectra
- Milltex Spero
- Pi Beam Labs
- Ola Electric & Siemens
- Ather Energy
- Ampere
- Hyundai

Industry Clusters: Battery Components

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Gujarat

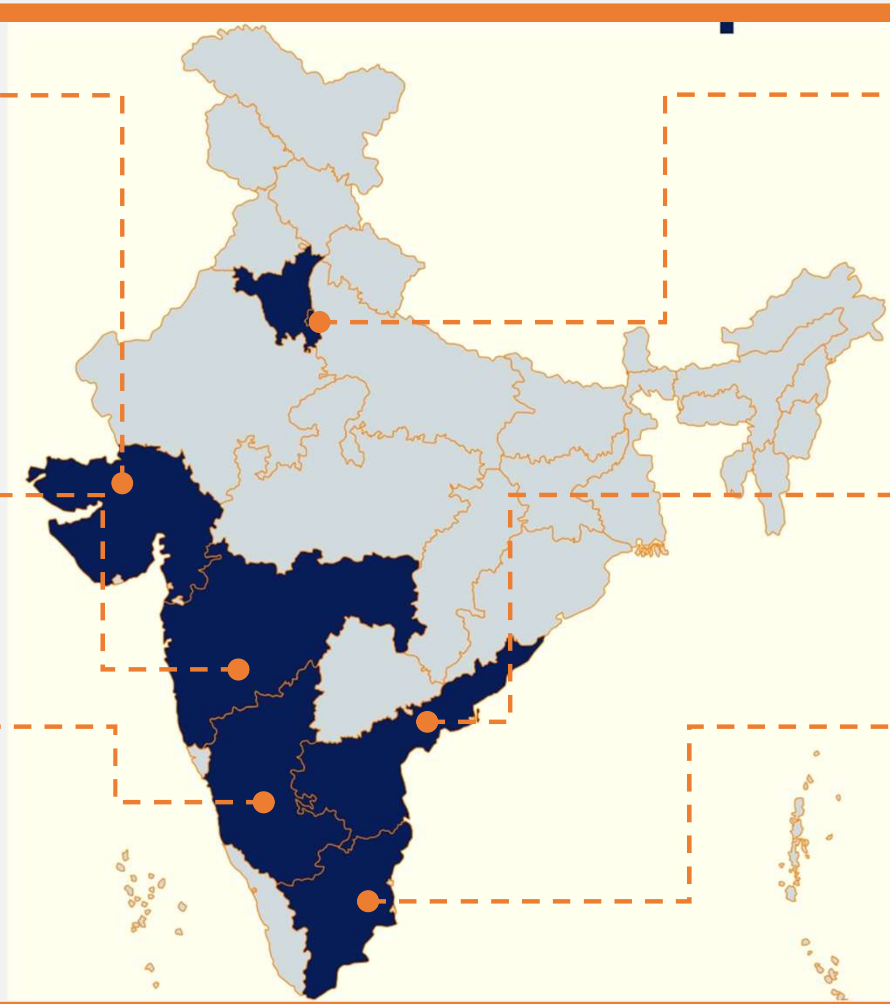
- Maruti Suzuki
- Toshiba
- Denso
- Exide Leclanche Energy
- Tata Chemicals

Maharashtra

- Octilion Power Systems

Karnataka

- SUN Mobility
- Mahindra & Mahindra
- Elest
- Hyunet



Delhi NCR

- IGR Phenix
- nVent Electric
- TDK
- Exicom Power Solutions
- GreenFuel Energy Solutions
- Okaya Power

Andhra Pradesh

- Amara Raja

Tamil Nadu

- RAASI Solar power
- Grinntech
- Ather Energy

Current Landscape of major EV players in India

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Battery Technology	Auto Components	Original Equipment Manufacturer (OEM)	Mobility and Logistics (Ride Sharing and Fleet Operators)
Exponent, Log9, Lohum, Inverted, Greenfuel, Gegadyne Energy, Euclion Energy, Octillion, ipower Batteries, Godi, Ion Energy, Trinity Energy, Exicom Power Solutions, Amara Raja, grenEnergy, Grinntech, Exide	elecnovo, evi, virya Mobility 5.0, Vecmocon Technologies, Entuple E-Mobility, Tsuyo	**2W:** Ola Electric, Ather, Tork Motors, Simple, Bounce, Bajaj, Okinawa, Kinetic Green, Pure, Ampere, Ultraviolette, Revolt **3W:** Euler, Altigreen Drive Electric, Piaggio, Grevol, Mahindra Electric **4W:** Cell Propulsion, Tata, MG	Yulu, Vogo, Be Responsible, ETO The Good Move, Zypp Electric, SmartE, alt. mobility, Zyngo, Moeving, Lithium Tomorrow's Transportation Today, BLU Smart Mobility

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NATIONAL INVESTMENT PROMOTION & FACILITATION AGENCY

Awareness & Engagement	Business Advisory	Strategy & Implementation	Investor Aftercare	Long Term Partnership

WAIPA — World Association of Investment Promotion Agencies

President, 2021

AIM ملتقى الاستثمار السنوي Annual Investment Meeting

2016, 2017, 2018, 2019, 2020

UNITED NATIONS UNCTAD

2016, 2018, 2020

Great Place To Work. Certified INDIA

2018, 2019, 2020

IORA INDIAN OCEAN RIM ASSOCIATION

2016